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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Ethiopia and Eritrea

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Mission in Ethiopia and Eritrea

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$220,830,200
Expenditure for 2002/03	$209,619,100
Appropriation for 2003/04	$188,400,000
Proposal submitted by the Secretary-General for 2004/05	$201,460,800
Recommendation of the Advisory Committee for 2004/05	$198,331,600

I. Introduction

1. **The recommendations of the Advisory Committee in paragraphs 29 and 37 below would entail a reduction of $3,129,200 in the proposed budget for the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 1 July 2004 to 30 June 2005 (see A/58/658). The Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.**

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2. **The Advisory Committee's general report on administrative and budgetary aspects of peacekeeping operations contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below the Committee deals with resources and other items that relate specifically to UNMEE.**

3. The documents used by the Advisory Committee in its consideration of the financing of UNMEE are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/250 B of 27 June 2002, appropriated to the Special Account for UNMEE an amount of $230,845,300 for the period from 1 July 2002 to 30 June 2003, inclusive of $220,830,200 for the maintenance of the Mission, $8,943,600 for the support account for peacekeeping operations and $1,071,500 for the United Nations Logistics Base at Brindisi, Italy. Expenditure for the period totalled $209,619,100 gross ($205,608,800 net). The resulting unencumbered balance of $11,211,100 gross ($11,206,000 net) represents, in gross terms, 5.1 per cent of the appropriation.

5. The unutilized balance was attributable primarily to lower-than-budgeted rotation costs for military observers and contingent personnel, the placement of international and national staff at lower levels than those of the posts approved, lower-than-budgeted consumption of fuel and the use of Mission air assets for medical evacuation and repatriation rather than air ambulance services. These elements were offset in part by additional requirements under facilities and infrastructure for payments made to troop-contributing countries for accommodation and tentage under self-sustainment arrangements, pending the construction of United Nations accommodation units, and under information technology.

6. The Advisory Committee notes from section III.B of the performance report (A/58/633) that a total of $13,294,000 is indicated for other income and adjustments for the period, comprising $4,592,000 in interest income, $1,091,000 for other/miscellaneous income and $7,686,600 in savings on or cancellation of prior-period obligations, offset by a reduction of $75,000 for prior-period adjustments. Upon request for an explanation of the figure of $7,686,600 for savings on cancellation of prior-period obligations, the Committee was provided with the following breakdown:

Savings on or cancellation of prior-period obligations for the period from 1 July 2002 to 30 June 2003

Category	*Amount (United States dollars)*
I. Military and police personnel	
Military observers	199 509
Military contingent personnel	972 168
II. Civilian personnel	1 160 989
III. Operational costs	
Official travel	42 856
Facilities and infrastructure	751 432
Ground transportation	427 758
Air transportation	2 841 084
Communications	413 491
Other supplies, services and equipment	877 374
Total	**7 686 661**

The Committee reiterates the request it made in its report of 8 April 2003 that future performance reports include an explanation of such adjustments (see A/57/772/Add.8, para. 6).

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period 1 July 2004 to 30 June 2005 in the paragraphs below.

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 29 February 2004, a total of $723,216,875 had been assessed on Member States in respect of UNMEE since its inception. Payments received as at the same date amounted to $649,703,442, leaving an outstanding balance of $73,513,433. As at 29 February 2004, the cash position of the Mission was $52.8 million, and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $23,130,000.

9. The Advisory Committee was informed that troop cost reimbursement up to 31 October 2003 totalled $144,587,065, while the amount owed for the period from 1 November 2003 to 29 February 2004 was $17,483,886. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $74,300,987 had been reimbursed and the estimated amount owed was $54,964,621, while unliquidated obligations for the period up to 30 June 2004 totalled $48,447,920. In respect of death and disability compensation, $168,000 had been paid as at 29 February 2004 for 11 claims, 2 claims were pending and unliquidated obligations amounted to $3,059,000.

10. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for UNMEE for the period from 1 July 2003 to 30 June 2004 was as follows:

	Authorized[a]	*Encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military observers	220	214	2.7
Military contingent personnel	3,980	3,818	4.1
International staff	256	249	2.7
National staff	273	252	7.7
United Nations Volunteers	82	77	6.1

[a] Representing the highest level of authorized strength for the period.

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex I). Expenditure for the period amounted to $163,064,100 gross ($160,160,800 net) against an apportionment of $188,400,000 gross ($184,567,500 net).

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

12. **The Advisory Committee commends the Mission for the progress it has made in formulating its budget document using results-based techniques. It notes, however, that further improvements could be made in a number of areas.** The Committee had commented in its report on the proposed budget for 2003/04 that the attempt to have a uniform framework for all missions comprising three or four components had led to some anomalies in the presentation for UNMEE (see A/57/772/Add.8, para. 12). In this connection, the Committee notes that the number of components remains the same for 2004/05, but that, in accordance with its recommendation (ibid., para. 13), the contents of the components have been reorganized. In addition, the title of what was the political component has been changed to the less specific "substantive civilian" component, permitting the grouping of varied activities under one heading.

13. Upon enquiry, the Advisory Committee was informed that the Secretariat had come to the conclusion that a "proliferation" of components was not desirable, as it would make comparisons between missions difficult. **While the Committee welcomes the reorganization of elements within the components, it cautions once again that the imposition of a rigid framework comprising the same components for all missions, for ease of comparison, may prove counter-productive.**

14. **The Advisory Committee commends the Mission for its efforts to quantify outputs. However, the exercise, when carried to an extreme, can produce statements that are of little use for planning.** The Committee notes, for example,

that in A/58/658, under expected accomplishment 1.1, "Progress towards peaceful settlement of the border dispute between Ethiopia and Eritrea", one of the planned outputs is "50 letters to the host Governments on political issues; 20 notes verbales to the diplomatic community". The assignment of a quantity of letters or notes verbales to be produced appears to the Committee to be arbitrary. **The Committee encourages the Secretariat to strive to find ways to quantify activities that are meaningful and do not get into a level of detail that by its nature cannot possibly give an accurate picture of what is to be achieved.**

Special Envoy of the Secretary-General for Ethiopia and Eritrea

15. The Advisory Committee discussed with representatives of the Secretary-General the recent appointment by the Secretary-General of a Special Envoy for Ethiopia and Eritrea to help move the process of implementation of the Algiers Agreements forward. **The Committee trusts that there will be close cooperation and coordination between the Special Envoy and the Mission, that the Mission will help facilitate the work of the Special Envoy and that the resources of the Mission will be used by the Special Envoy, to the maximum extent possible, in carrying out his duties. In this connection, the Committee recalls its recommendation in its report of 27 November 2002, in which it recommended that logistical support to special political missions be provided through the Department of Peacekeeping Operations (see A/57/7/Add.17, para. 18). The Committee also recalls paragraph 2.1 (j) of the Secretary-General's bulletin on functions and organization of the Department (ST/SGB/2000/9), in which it is stated that the Department is to provide logistic and administrative support for peacekeeping operations, as well as other field offices and missions, as required.**

16. The Committee further recalls the recommendation it made in its report of 4 March 2002 that efforts should be made to ensure that the work and objectives of the various activities of advisers, envoys and offices dealing with African issues are, to the extent possible, complementary (see A/56/7/Add.8, para. 11). **The Committee enquired as to the possibility of overlap or duplication in the work of the Mission and the Special Envoy. It was informed that, as the mandate of the Special Envoy was political in nature, no duplication was foreseen.** This being the case, the Committee points out that a revision of expected accomplishment 1.1, which reads "Progress towards peaceful settlement of the border dispute between Ethiopia and Eritrea", is perhaps in order, as it would appear to infringe on the mandate of the Special Envoy.

B. Resource requirements

1. Military personnel

Category	*Approved 2003/04*[a]	*Proposed 2004/05*
Military observers	220	220
Military contingent personnel	3,980	3,980

[a] Representing highest level of authorized strength.

17. A reduction of $1,484,900, or 1.5 per cent, in comparison with the apportionment for the current period is proposed under military and police personnel for 2004/05. The variance is attributable mainly to a reduction in the provision for major equipment, which is based on signed memorandums of understanding with troop-contributing countries rather than on draft memorandums of understanding (see A/58/658, para. 8). Estimated requirements for major equipment for the 2004/05 period amount to $20,699,600 (ibid., para. 7), as compared with the estimate of $22,192,000 for the 2003/04 period (see A/57/673, para. 4). The Advisory Committee was informed that there were 14 memorandums of understanding, all of which had been signed. **The Committee welcomes this development.**

18. The Advisory Committee notes from the performance report for 2002/03 that expenditure for contingent-owned equipment for the period ending 30 June 2003 totalled $38.5 million (see A/57/633, sect. III.C). Estimated requirements for the 2004/05 period amount to $36,118,400. In connection with reimbursement for contingent-owned equipment, the Committee was provided with the following additional information:

United Nations Mission in Ethiopia and Eritrea contingent-owned equipment and self-sustainment as at 29 February 2004

(United States dollars)

Year	*Apportionment*	*Estimated amount owed*	*Payments (reimbursed)*	*Unliquidated obligations*	*Claims in accounts payable*
2000/01	15 691 600	15 691 568	15 578 793	112 775	—
2001/02	35 899 400	35 899 400	34 815 994	1 083 406	—
2002/03[a]	38 756 000	38 756 000	23 906 200	8 333 099	6 516 701
2003/04	39 260 000	38 918 640	—	38 918 640	—
Total	**129 607 600**	**129 265 608**	**74 300 987**	**48 447 920**	**6 516 701**

[a] Upon enquiry as to the reason for the discrepancy between the figure for 2002/03 in paragraph 18 above and the figures in the above table, the Advisory Committee was informed that the reimbursable portion of the expenditures for welfare was erroneously recorded under welfare in the category of other supplies, services and equipment in 2002/03. For the period 2004/05, the provision has been realigned to self-sustainment, under facilities and infrastructure.

The Committee was also given updated information on support provided to contingents by the Mission (see annex II). **The Committee requests that this information be included in future budget documents.**

19. The Advisory Committee notes that the Mission continues to experience less than full incumbency for military personnel. For 2002/03 the average monthly deployment rate for military observers was 212 out of the 220 approved, or a delayed deployment rate of 3.6 per cent. The corresponding figures for military contingent personnel are 3,885 out of 3,980 approved, or a delayed deployment rate of 2.4 per cent. Current incumbency, as shown in paragraph 10 above, is 214 military observers of the 220 approved for 2003/04 and 3,818 of the 3,980 military contingent personnel approved, for delayed deployment rates of 2.7 per cent and

4.1 per cent, respectively. The Mission has taken into account previous observations of the Committee on this matter, as well as continuing less-than-full deployment of military contingent personnel, in budgeting a 2 per cent delayed deployment factor for 2004/05. Possible savings might be expected owing to the departure of the Slovak demining contingent (see para. 23 below), for which there was no replacement as at the date of the Committee's hearings on UNMEE.

20. The Advisory Committee was informed that the estimated cost for travel of military observers for the 2004/05 period ($4,100 per round trip) takes into account performance experience for the 2001/02 and 2002/03 periods. As indicated in the performance report for 2002/03, the actual cost per rotation was $4,418, as compared with the budgeted amount of $8,200 (see A/58/633, para. 7; see also the comments of the Committee on this matter in A/57/772/Add.8, para. 20).

21. Upon enquiry, the Advisory Committee was informed that the amount of $8,224,300 for rations shown in the supplementary information provided to it consisted of the following: an amount of $7,156,504, figured on the basis of $4.94 per person for 3,969 contingent personnel (11 military staff officers in receipt of mission subsistence allowance are excluded), and an additional amount of $1,067,785 for an extreme-heat supplement, which provides for increased consumption of liquid in a hot climate ($58,637), a 14-day reserve for 4,538 international personnel at $7.12 each ($452,348), storage ($536,800) and shipping ($20,000). The Committee notes that the estimate for rations for 2004/05 has increased by $624,300 over the apportionment of $7,600,000 for 2003/04. Upon enquiry, the Committee was informed that the amount proposed for 2004/05 was based on an established contract and that the increase was related to provision for contingent personnel's entitlement to the small-unit rations supplement for which the Mission had not previously budgeted (units with fewer than 50 people are allowed a 20 per cent supplement for rations, and units with 50 to 100 people are allowed a 10 per cent supplement for rations).

Boundary Commission and demining in support of demarcation

22. The Advisory Committee notes from the report of the Secretary-General to the Security Council of 19 December 2003 that, in spite of the persistent efforts of the Boundary Commission, there has been little progress in the demarcation of the border (see S/2003/1186, paras.15-18). As indicated in the report, the delays in the process also have implications for the UNMEE mandate to assist the Boundary Commission in demining in support of demarcation in accordance with Council resolution 1430 (2002).

23. When the Security Council adjusted the mandate of UNMEE to include such demining, it did so on the basis of the Mission's capacity to conduct demining with the Slovak engineering contingent in place. That contingent is scheduled to depart in June. As a result, once agreement is reached on when and where to begin demarcation, the Secretary-General estimates that some four months of lead time will be required before the actual emplacement of pillars can begin. Upon enquiry, the Advisory Committee was informed that no replacement had as yet been found for the Slovak contingent, but that in the absence of progress in demarcation, the matter was for the moment not considered urgent.

24. Upon request, the Committee was provided with information concerning reimbursable support provided by UNMEE to the Boundary Commission (see annex III).

25. The Advisory Committee was also provided with a table detailing the personnel and estimated requirements for demining for the 2004/05 period (see annex IV).

2. Civilian personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
International staff[a]	256	256
National staff[b]	273	273
United Nations Volunteers	82	82

[a] Representing highest level of authorized/proposed strength.
[b] Including national officers and national General Service staff.

Recommendations on posts

26. *Redeployment of one P-4 and one United Nations Volunteer from the Medical Services Section in the Office of the Chief Administrative Officer to a separate HIV/AIDS Policy Unit* (see A/58/658, sect. I, expected accomplishment 1.4). This redeployment demonstrates the Mission's efforts to promote HIV/AIDS awareness among peacekeeping personnel. **The Advisory Committee recommends acceptance of the proposed redeployment.**

Other observations and recommendations

27. The Advisory Committee notes from the performance report for the 2002/03 period that, as was the case in the 2001/02 period, a significant underexpenditure has been realized under international staff owing to the "placement of staff at lower levels than the approved posts" (A/58/633, para. 9). The Committee was informed that these included 23 Professional posts, as follows: of 4 approved D-1 posts, 2 are filled at the P-5 level; of 7 approved P-5 posts, 1 is filled at the P-4 level; of 32 approved P-4 posts, 4 are filled at the P-3 level and 2 at the Field Service level; and of 54 approved P-3 posts, 9 are filled at the P-2/1 level. **The Committee reiterates its view that when posts are consistently filled at lower levels and if staff members recruited at lower levels perform to the satisfaction of mission officials, the level of the higher-graded posts should be reviewed and reclassified accordingly (see A/57/772, para. 81). The Committee has commented on this issue in its general report on peacekeeping operations (A/58/759).**

28. For 2004/05, an increase of $6,381,900, or 22.5 per cent, over the apportionment for 2003/04 is proposed for civilian personnel and related costs. The increase is due primarily to the proposed conversion to the 100 series of the Staff Rules of 98 posts that are currently appointments of limited duration under the 300 series. Information provided to the Advisory Committee upon request indicated that the cost of the conversion included in the proposed budget for UNMEE amounted to $2,939,700.

29. This matter is discussed in detail in the Advisory Committee's general report on peacekeeping operations, in which it recommends that, in the light of the policy issues to be addressed, the proposal for the conversion of peacekeeping mission staff from the 300 series to the 100 series be presented in a comprehensive manner by the Secretary-General in the context of his report on human resources management policies to be submitted to the General Assembly at its fifty-ninth session. **In that same report, the Committee further recommends that action by the Secretariat on conversion from the 300 to the 100 series be deferred pending consideration by the General Assembly. Accordingly, the Committee recommends that the estimate of $30,560,000 for international staff for UNMEE be reduced by $2,939,700, to $27,620,300. However, as it indicated in its general report, the Committee has serious doubts about the accuracy of the figures provided. It requests detailed and well-justified information in the next submission on this subject.**

30. **The Advisory Committee commends the Mission for the progress it has made in lowering vacancy rates for international civilian personnel.** For the 2002/03 period, the vacancy rate for international staff was 11.7 per cent. As shown in paragraph 10 above, the current rate is 2.7 per cent.

31. Upon request for clarification concerning delegation of authority for recruitment, the Advisory Committee was informed that no additional delegation for the recruitment of international staff had been granted to UNMEE. At present, the delegation of authority for recruitment of substantive staff was limited to the United Nations Interim Administration Mission in Kosovo and the United Nations Mission of Support in East Timor.

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$61,049,800	$69,213,600

32. The estimated operational requirements for the period from 1 July 2004 to 30 June 2005 represent an increase of $8,163,800, or 13.4 per cent, over the apportionment for the current period. The main factors contributing to the variance are increased requirements under facilities and infrastructure, for petrol, oil and lubricants, and under ground transportation, for the replacement of 79 vehicles.

Official travel and training

33. The estimate for official travel for 2004/05, as shown in section II of the proposed budget, amounts to $1,039,500, an increase of $189,500 over the amount of $850,000 apportioned for 2003/04. The main reason for the increase is an increased provision for training-related travel "in the light of greater emphasis on the training of staff to satisfy operational needs, as well as improve vocational and managerial competencies" (A/58/658, para. 11). Upon request for an explanation of this statement, the Advisory Committee was informed that the increased emphasis on training was an effort to respond to the observation in the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809) concerning the imperative to set and adhere to a high standard of competence and integrity for both Headquarters and field personnel. **In the view of the Committee, requests for**

additional funds should be accompanied by mission-specific justifications of the requirements.

34. The Advisory Committee received supplementary information that breaks down the costs involved in training, the type of training to be undertaken, the location of the training and the number of staff to be trained, as well as output references. **However, the Committee reiterates its view that, as the training of personnel is an important component of the proposed budget, all resources requested for training should be indicated under one heading in the budget, clearly and comprehensively, without being subsumed under other miscellaneous budget lines of the proposal (see A/57/772, para. 129).**

35. The Advisory Committee notes from the additional information provided to it that the estimates provide for the training of a total of 2,185 staff during the 2004/05 financial period, at an estimated total cost of $627,600, including $403,700 for training-related travel. The Committee also notes from the additional information provided to it that much of the training is to be undertaken in the Mission area. **The Committee commends the Mission for this, as well as for its efforts to institute "train the trainer" programmes and to place emphasis on procurement training, in accordance with the Committee's recommendations (A/57/772, paras. 127-133, and A/57/772/Add.8, paras. 36-40).**

36. **The Advisory Committee notes from the additional information provided to it on actual training undertaken in 2002/03 that most of the staff trained remain with the Mission — out of a total of 739 trained, 731 remained. Nonetheless, it is the view of the Committee that as more staff become trained, the requirement for training should decrease, and with it the requirement for training-related travel, particularly in missions that are no longer growing or are in the process of downsizing.**

37. **Taking into account its comments in the paragraphs above, the Advisory Committee recommends that the amount for official travel remain at the current level of $850,000, a reduction of $189,500 from the requested amount of $1,039,500.**

Facilities and infrastructure

38. **The Advisory Committee welcomes the information, as shown in section V.A.1 of the proposed budget for 2004/05 (A/58/658), that it is expected that the handover of 100 per cent of United Nations-provided accommodation will be accomplished by January 2004.**

39. The Advisory Committee was informed that the increase under facilities and infrastructure was related primarily to increased requirements for petrol, oil and lubricants resulting from the need to rely on generators to meet electricity demands in the absence of adequate local power supplies. The estimated requirement of $2,335,500 for petrol, oil and lubricants for 2004/05 represents an increase of $1,156,500 over the apportionment of $1,179,000 for 2003/04.

40. In addition, two major construction projects are planned for the fiscal year: (a) maintenance of main supply routes used by the Mission and (b) upgrading of the security perimeter fencing in seven locations and mission-wide asphalting and fencing of helipads. The estimated requirement of $1,322,000 under construction

services for 2004/05 represents an increase of $1,107,000 over the apportionment of $215,000 for 2003/04.

41. The Advisory Committee was briefed on security measures undertaken and planned for the Mission. It was informed that a threat assessment revealed that headquarters in both Asmara and Addis Ababa were vulnerable. Accordingly, new security measures had been undertaken at UNMEE during the current period at a cost of $310,000, as follows:

(a) Installation of security film on windows of Asmara and Addis Ababa headquarters ($130,000);

(b) Placement of security barriers (dragon teeth), warning signs and traffic signs both at headquarters facilities and in the temporary security zone ($20,000);

(c) Installation of security fencing at the Finnish facility located in Asmara in order to protect UNMEE personnel and equipment ($20,000);

(d) Installation of additional security guards both at headquarters and at the residences of both Deputy Special Representatives of the Secretary-General ($140,000).

42. The Advisory Committee was provided with a breakdown of security costs included in the proposed budget for UNMEE (see annex V). In view of the security problems facing UNMEE, the Committee enquired as to the feasibility of moving the Addis Ababa headquarters back to the compound of the Economic Commission for Africa. Upon request, the Committee was provided with a cost/benefit analysis on this issue (see annex VI). The information provided is quite detailed; however, it does not take into account the fact that the Mission is nearing its completion phase. **Accordingly, the Committee requests the Department of Peacekeeping Operations, together with the Mission, to analyse the issue of relocation from security, operational and financial points of view, taking into account the fact that the Mission is nearing its completion phase, and to report thereon to the General Assembly in its next budget submission.**

43. In a related matter, the headquarters at Asmara has been assessed as particularly vulnerable, and research to identify a more security-suitable building has begun. The Advisory Committee was informed that it was unlikely that a suitable building could be found. A second option being explored is the possibility of purchasing and constructing a container village. Preliminary estimates indicate that the cost of the container compound would be about $7 million. Those costs are not included in the proposed budget, but form part of the report on security issues submitted to the General Assembly by the Secretary-General on 6 April 2004 (A/58/758). **In its report on strengthening the security of United Nations operations staff and premises, the Advisory Committee is recommending an additional appropriation of $7 million for 2004/05 in connection with the relocation of the Asmara headquarters.**

Ground transportation

44. The Advisory Committee notes that for the 2002/03 financial period, lower-than-expected consumption of petrol, oil and lubricants resulted in an unutilized balance of $1,052,600 under ground transportation. The decreased consumption was the result of the use of local transport companies rather than UNMEE assets for the

transport of goods and water, less frequent use of armoured personnel carriers and decreased movement of troops due to delays in the demarcation process.

45. The estimated requirements of $6,088,200 under this item for 2004/05 reflect an increase of $3,025,000 over the apportionment of $3,063,200 for 2003/04. The increase is attributable mainly to the proposed replacement of 79 vehicles on the basis of age, mileage and condition and to a 30 per cent increase in the cost of fuel. Fifteen of those vehicles are almost 10 years old. Upon enquiry, the Advisory Committee was informed that the Mission had received 120 vehicles from the United Nations Mission in Bosnia and Herzegovina, the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Logistics Base at Brindisi, Italy, for which freight costs amounted to $363,000, and that 39 of the vehicles to be replaced had been in service in other missions. Upon enquiry, the Committee was further informed that existing policy on the transfer of vehicles provides that only refurbished vehicles that are serviceable for three or four years are to be transferred. **The Committee is concerned that this policy may not have been adhered to, and cautions the Department of Peacekeeping Operations that the transfer of vehicles that do not have sufficient remaining service life may lead to greater costs in the long run.**

Air transportation

46. The estimate for air transportation for the period ending 30 June 2005 amounts to $21,402,900, an increase of $687,900 relative to the apportionment for the current period. The variance, as explained in paragraph 14 of the proposed budget, is due mainly to an increase in the cost of rental and operation of the fixed-wing aircraft based on new contractual arrangements, as well as to the reconfiguration of the fleet by eliminating one G-222 and adding one AN-26 aircraft. Upon request for details concerning the new contractual arrangements, the Advisory Committee was informed that the increase in the cost of air operations was reflective of an overall trend in response to the market and that, in general, when two-year-old contracts are replaced, increased costs ensue owing to market movements over the two years. The Committee was also informed that the 2004/05 estimates are based on market costs (either actual or forecast) and take into account the re-bidding for two contracts due to expire, for an MI-8 and a medium fixed-wing aircraft.

47. In its discussions with the representatives of the Secretary-General concerning the composition of the Mission's aircraft fleet, the Advisory Committee was informed that the Mission planned to replace one of its AN-26 cargo aircraft with an AN-24 passenger aircraft, and that some consideration was being given to further reconfiguration by replacing the other AN-26 as well. The Committee enquired as to whether the executive jet would still be needed in that case, as well as whether the elimination of the executive jet from the fleet would lead to savings. The Committee was informed that in the Mission's current operating environment, the provision of a passenger aircraft would not directly affect the requirement for the executive jet; however, if the parties were to reach agreement on a direct flight route between the capitals, the Mission could then assess whether there were viable options for adjusting its fleet (see para. 50 below). At that stage, it was too early to determine if savings would accrue.

48. The Advisory Committee requested information on the usage of the executive jet. It was informed that in 2002/03, the executive jet was used for 69 flights each way between Asmara and Addis Ababa by the Special Representative of the Secretary-General and/or the Force Commander, who also used the aircraft for round-trip flights between Asmara and Assab and between Addis Ababa and Axum. An additional six flights were made for casualty and medical evacuation purposes. The Committee notes from the additional information provided to it that the cost of block hours for the executive jet has increased by 65 per cent in comparison with the 2003/04 period, while the cost of extra hours has decreased by 44 per cent.

49. In its report, the Board of Auditors commented on the use of the executive jet in UNMEE and recommended that the Mission review the need for and cost-effectiveness of utilizing an executive jet as compared with a propeller aircraft and charter flights (see A/58/5 (Vol. II),[1] paras. 145-149). **The Advisory Committee has commented on this issue in its general report on peacekeeping operations, in which it requests that all missions using executive jets continue to keep under review the need for and cost-effectiveness of using such aircraft. That review should be undertaken in the context of the monitoring by the missions of the configuration of their air assets in the light of changing operational needs and the mission environment, and the use of the executive jet should be fully justified. The Committee also recommends that the Board continue to monitor the matter.**

50. The Advisory Committee notes from the report of the Secretary-General to the Security Council of 19 December 2003 that the parties' continued failure to overcome differences with regard to a direct high-altitude route for UNMEE flights between Addis Ababa and Asmara has to date resulted in additional costs totalling almost $3 million (see S/2003/1186, para. 9). The Committee was informed that the issue had been the subject of a discussion at the twenty-first and twenty-second meetings of the Military Coordination Commission, held in Nairobi on 15 December 2003 and 2 February 2004. The Committee was also informed that efforts by the Mission on this issue were ongoing and that some softening of positions had been noted, though no concrete progress had been achieved to date.

Communications and information technology

51. The Advisory Committee notes from the additional information provided to it that the write-off and disposal processes for information technology equipment are quite slow at UNMEE. **This issue should be addressed on a priority basis. In addition, the Committee requests the Department of Peacekeeping Operations to provide the Mission with guidance on giving away such equipment to outreach centres, local schools or other appropriate institutions, as is being done in UNIFIL.**

52. Upon request, the Advisory Committee was provided with the following information concerning major communications equipment purchased in 2002/03:

Equipment	*Quantity*	*Status*
Microwave link with related spares	1	Installation will be completed in a few weeks
Routers to upgrade permanent access multiple assigned links	14	Installation completed
Demand access multiple assigned, low-density chassis	15	Installation completed

V. Conclusions of the Advisory Committee

53. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 20 of the performance report (A/58/633). **The Committee recommends that the unencumbered balance of $11,211,100, as well as other income and adjustments in the amount of $13,294,000, be credited to Member States in a manner to be determined by the Assembly.**

54. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 20 of the proposed budget (A/58/658). **Taking into account its recommendations in paragraphs 29 and 37 above, the Advisory Committee recommends that the estimated budget requirement of $201,460,800 be reduced by $3,129,200. Accordingly, the Committee recommends that the Assembly appropriate an amount of $198,331,600 gross ($193,774,200 net) for the maintenance of UNMEE for the 12-month period from 1 July 2004 to 30 June 2005.**

Documentation

- Report of the Secretary-General: performance report on the budget of the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2002 to 30 June 2003 (A/58/633)
- Report of the Secretary-General on the proposed budget for the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2004 to 30 June 2005 (A/58/658)
- Report of the Advisory Committee on Administrative and Budgetary Questions on financing of the United Nations Mission in Ethiopia and Eritrea (A/57/772/Add.8 and Corr.1)
- General Assembly resolutions 56/250 B and 57/328 on the financing of the United Nations Mission in Ethiopia and Eritrea
- Progress reports of the Secretary-General on Ethiopia and Eritrea (S/2004/180 and S/2003/1186)
- Security Council resolutions 1312 (2000), 1320 (2000), 1430 (2002) and 1507 (2003)

Notes

[1] See *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 2* (A/58/2).

Annex I

Actual expenditure for the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2003 to 30 June 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditure as at 29 February 2004*
Military and police personnel		
Military observers	7 257.9	5 100.2
Military contingent personnel	91 777.4	86 333.1
Civilian police	—	—
Formed police units	—	—
Subtotal	**99 035.3**	**91 433.3**
Civilian personnel		
International staff	24 282.2	18 770.4
National staff	1 257.5	674.3
United Nations Volunteers	2 775.2	1 584.2
Subtotal	**28 314.9**	**21 028.9**
Operational costs		
General temporary assistance	—	—
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	—
Official travel	850.0	640.7
Facilities and infrastructure	18 488.8	16 521.3
Ground transportation	3 063.2	2 221.8
Air transportation	20 715.0	15 091.7
Naval transportation	—	—
Communications	6 378.0	6 226.0
Information technology	1 365.8	873.3
Medical	2 824.4	2 417.8
Special equipment	1 819.6	1 744.5
Other supplies, services and equipment	5 545.0	4 864.8
Quick-impact projects	—	—
Subtotal	**61 049.8**	**50 601.9**
Gross requirements	**188 400.0**	**163 064.1**
Staff assessment income	3 832.5	2 903.3
Net requirements	**184 567.5**	**160 160.8**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**188 400.0**	**163 064.1**

Annex II

Support provided to contingents by the United Nations Mission in Ethiopia and Eritrea during 2002/03

Category	*Contingent*	*Particulars*	*Remarks*
Catering	India	Refrigerators	Seven to be deducted from reimbursement
	Jordan	Refrigerators	One to be deducted from reimbursement
	Kenya	Refrigerators	Four to be deducted from reimbursement
	Bangladesh	Refrigerators	One to be deducted from reimbursement
Resupply	Jordan	Assistance with customs clearance of resupply shipment	Actual UNMEE expenses to be deducted from reimbursement
Support for contingent-owned equipment (major equipment)	Bangladesh	Food and portable water issued for Bangladeshi demining dogs	Actual UNMEE expenses deducted from reimbursement
Support for national support element	Ireland	Food rations and potable water	To be reimbursed
	Slovakia	Food rations and potable water	To be reimbursed

Annex III

Reimbursable support provided by the United Nations Mission in Ethiopia and Eritrea to the Boundary Commission

1 December 2001 to 30 June 2003

(United States dollars)

	Amount	
Section	*1 December 2001 to 30 June 2002*	*1 July 2002 to 30 June 2003*
Air operations	306 403	552 378[a]
Transport	1 392	6 876
Movement control	-	25 089
Engineering	18 397	38 653
Electronic data-processing	12 078	21 338
Communications	793	881
Supply	17 673	30 507
Total	**356 735**	**675 722**

[a] Including amounts for fixed-wing aircraft, fuel and airport services.

Annex IV

Mine detection and mine clearing

1 July 2004 to 30 June 2005

A. Number of posts

Category	*Number*
Military observers	—
Military contingents	—
Civilian police	—
Formed police units	—
USG	—
D-2	—
P-5	1
P-4	3
P-3	7
P-2/1	—
Field service	—
General service	1
National staff	8
United Nations Volunteers	—
Total	**20**

B. Cost

(Thousands of United States dollars)

Budget line	*Amount*
Equipment	30.4
Services	2 989.0
Supplies	100.0
Total	**3 119.4**

Annex V

Information on Mission security

(Thousands of United States dollars)

Category of expenditure	*Apportionment 2003/04*	*Total estimates 2004/05*
International staff	216.0	216.0
National staff	24.9	24.9
United Nations Volunteers	144.0	144.0
Facilities and infrastructure	51.2	62.6
General supplies, services and equipment	516.3	635.7
Ground transportation	1 200.0	1 200.0
Total	**2 152.4**	**2 283.2**

Annex VI

A. Cost-benefit ratio for moving the United Nations Mission in Ethiopia and Eritrea headquarters at Addis Ababa

Estimated moving costs
(United States dollars)

Description	*Unit*	*Quantity*	*Unit cost*	*Total*	*Recurrent*	*Non-recurrent*
Land						
Site preparation				10 000.00		10 000.00
Facilities and infrastructure						
Cost of prefab buildings (21 m^2)	Each	43	4 181.00	179 783.00		179 783.00
Cost of ablutions (20')	Each	4	9 720.00	34 020.00		34 020.00
Cost of ablutions (8')	Each	1	5 200.00	5 200.00		5 200.00
Cost of storage containers	Each	4	1 200.00	4 800.00		4 800.00
Freight charges @ 15%				33 570.45		33 570.45
Engineering services						
Container foundation works	Each	43	100.00	4 300.00		4 300.00
Construction of walkways	metres	200	50.00	10 000.00		10 000.00
Erection of prefab containers	Each	43	150.00	6 450.00		6 450.00
Erection of ablutions	Each	5	100.00	450.00		450.00
Water supply and sewage works				30 000.00		30 000.00
Electrical works	Each	43	20.00	860.00		860.00
Transport workshop				20 000.00		20 000.00
Parking area	square metres	500	10.00	5 000.00		5 000.00
Drainage works	metres	200	50.00	10 000.00		10 000.00
Fencing works	metres	150	60.00	8 989.59		8 989.59
Security arrangements				20 000.00		20 000.00
Refurbishment of existing building				50 000.00		50 000.00
Communications and electronic data-processing installation works				230 103.20		230 103.20
Operational cost						
Annual janitorial services				30 000.00	30 000.00	
Annual maintenance supply services (monthly @ 5%)				134 281.80	134 281.80	
Annual rent	Month	1	2 000.00	24 000.00	24 000.00	
Total				**851 808.04**	**188 281.80**	**663 526.24**

Investments and operational costs of existing headquarters

Description	*Cost*	*Recurrent*	*Non-recurrent*
Engineering works			
Alteration and renovation works	38 098.61		38 098.61
Modification of windows	464.04		464.04
Electric door locks and modification of metal doors	2 709.63		2 709.63
Construction of fence and veranda shed	13 965.42		13 965.42
Installation of flagpole, generator house and sign board	232.02		232.02
Construction of satellite dish platform	4 718.72		4 718.72
Construction of fire escape stairs	11 091.14		11 091.14
Installation of electrical gates and other security works	13 561.02		13 561.02
Construction of transport workshop	18 488.98		18 488.98
Installation of solar protection film	659.40		659.40
Installation of anti-fragmentation film	19 453.00		19 453.00
Generator (160 KVA)	32 000.00		32 000.00
Communications works and electronic data-processing	45 000.00		45 000.00
Operational cost			
Annual janitorial services and garbage collection	26 589.33	26 589.33	
Annual maintenance supply services (monthly @ 5%)	120 000.00	120 000.00	
Annual cost for Finnish guards	237 000.00	237 000.00	
Annual rent	180 000.00	180 000.00	
Total	**764 031.30**	**563 589.33**	**200 441.97**

	ECA	*Existing*
Recurrent costs/annually	188 281.80	563 589.33
Non-recurrent costs/one-time	663 526.24	200 441.97
Total	**851 808.04**	**764 031.30**

Cost/benefit ratio for moving back to ECA compound 1.11

B. Analysis of the location of the United Nations Mission in Ethiopia and Eritrea headquarters at Addis Ababa

Background information

The UNMEE headquarters in Ethiopia was established on 1 August 2000 within the Economic Commission for Africa (ECA) compound. In the following month it was decided that a containerized office accommodation block in the back corner of the ECA compound would be built. This office block was completed by February 2001 and the UNMEE office was relocated to those premises. The two-storey office complex was made up of 37 containers and two ablution units and offered some 518 square metres of office space, including landings, corridors and common areas. This was meant as an interim measure, allowing UNMEE time to organize a more suitable office facility.

Circumstances leading to the establishment of the headquarters in a commercial building

However, due to the increase in UNMEE activities within Ethiopia and Eritrea, it soon became apparent that the premises had a number of shortcomings:

(a) The available physical office space was some 200 square metres short of the requirements of the office;

(b) There was a general lack of ambience and perceived stature as a country office;

(c) The physical location within the ECA compound was situated at the edge of the compound adjacent to an open area, which was used by the local population as a rubbish dump.

Due to those and a number of smaller issues, it was decided to seek alternative premises within Addis Ababa. The decision was supported by a visit to Ethiopia in December 2000 by the Secretary-General, who made comments to his Special Representative about the appearance of the premises and the overall impression of UNMEE that was being created by the containerized office. After this visit, the Special Representative of the Secretary-General requested that alternative premises be found that truly reflected the position and standing of UNMEE within Ethiopia. Therefore, the search started and the existing headquarters became operational as of April 2002. The installation costs at the new building amounted to approximately $655,000.

Cost/benefit analysis of moving back to the ECA compound (financial aspects)

According to estimates, the total cost of relocating the Addis Ababa office back to the ECA compound is $851,808. On the other hand, if it is decided to remain in the existing premises, the total cost is estimated at $764,031.

Conclusion

Although the analysis shows an advantage to be derived from remaining at the present premises rather than moving back to the ECA compound at this stage, UNMEE is aware that, in the long run, the Mission will incur less expense if the headquarters is moved back to ECA.

Nevertheless, UNMEE management believes that a decision of this nature should not be based solely on financial considerations. Consideration must be given to the circumstance that led to moving out of the ECA building, as mentioned above, which involves political as well as staff welfare issues. In addition, due consideration should be given to all the discussions that took place between the Special Representative of the Secretary-General and the Department of Peacekeeping Operations at the time when the subject was initially brought up. The decision was subsequently supported by the Department of Peacekeeping Operations as a result of substantial and exhaustive analysis and discussions. The Special Representative of the Secretary-General, his Deputy, the Chief Administrative Officer and senior management of the Mission believe that the existing building is suitable and that maintaining the current UNMEE office is in the interest of the Organization. Moreover, the dissatisfaction expressed by the Secretary-General regarding the selection of the site for the UNMEE office in the ECA compound should also be appropriately considered.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Logistics Base at Brindisi

Status of the implementation of the strategic deployment stocks

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$14,293,200
Expenditure for 2002/03	$14,447,500
Appropriation for 2003/04	$22,208,100
Proposal submitted by the Secretary-General for 2004/05	$28,799,700
Recommendation of the Advisory Committee for 2004/05	$28,422,000

I. United Nations Logistics Base at Brindisi

1. **The recommendations of the Advisory Committee in paragraph 13 below would entail a reduction of $377,700 in the proposed budget for the United Nations Logistics Base for the period from 1 July 2004 to 30 June 2005. The Committee also makes a number of observations and recommendations with regard to the administration and management of the Base and opportunities for further savings.**

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2. The documents used by the Advisory Committee in its consideration of the financing of the United Nations Logistics Base are listed at the end of the present report.

A. Financial performance report for the period from 1 July 2002 to 30 June 2003

3. On the recommendation of the Advisory Committee, the General Assembly, by its resolution 56/289 of 27 June 2002, appropriated an amount of $14,293,200 gross for the maintenance of the Logistics Base for the period from 1 July 2002 to 30 June 2003. The total amount of the appropriation has been assessed on Member States. Expenditure for the period amounted to $14,447,500 gross ($13,360,600 net) which is $154,300 higher than the appropriation (see A/58/702, section III.A).

4. The net cost overrun of $154,300 reflects an increase of $527,000 under civilian personnel and a decrease of $372,700 under operational costs. The additional requirements under civilian personnel are attributable mainly to a steep rise in post adjustment in June 2003. The increase in post adjustment is mainly a result of the appreciation of the euro as compared to the United States dollar during the financial period. The unspent balance under operational costs is attributable mainly to (a) reduced requirements for the maintenance of power units; and (b) the lower than anticipated cost of the acquisition of vehicles because of the receipt of a number of vehicles from the liquidation of UNMIBH.

5. The Committee was informed that the Logistics Base provided, on a reimbursable basis, services valued at $3.6 million to United Nations and non-United Nations entities during the period from 1 July 2002 to 30 June 2003. **The Committee recalls that, in its previous report on the Base, it welcomed the efforts by the administration of the Base to identify and quantify the cost of each service provided on a reimbursable basis, and requested that information on the technique used by the Base and its experience in identifying and estimating reimbursable costs should be made available to administrations of other missions; the Committee also pointed out that the impact of reimbursable expenditure was not reflected in the budget estimates, and requested that an appropriate methodology in this regard be developed and utilized for the next budget estimate (see A/57/772/Add.9, paras. 4 and 5). The Committee notes that the budget document does not contain information on measures taken in response to its requests. Therefore the next budget document on the Base should contain information on the implementation of the Committee's requests.**

6. The comments of the Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2004 to 30 June 2005 in the paragraphs below.

B. Information on performance for the current period

7. The Advisory Committee was informed that the cash position of the Base as at 29 February 2004 was $64.6 million and that unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $921,152.

8. The Committee was informed that, as at 29 February 2004, the incumbency for the Base for the period from 1 July 2003 to 30 June 2004 was as follows:

	Posts authorized	*Posts encumbered*	*Vacancy/delayed deployment rate (percentage)*
International staff	37	28	24.3
National staff	99	96	3.0

9. The Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex I). Expenditure for the period amounted to $13,270,867 gross ($12,605,567 net) against an apportionment of $22,208,100 gross ($20,949,600 net).

C. Proposed budget for the period from 1 July 2004 to 30 June 2005

1. Mandate and planned results

10. **The Advisory Committee commends the administration of the Base for the progress in formulating its budget document using results-based techniques. The Committee notes that, while indicators of achievement are measurable, they are not clearly aligned with the five programme activities implemented by the Base, namely, maintenance of assets and facilities, supply and warehousing, communication and information technology, training and air operations. Moreover, in the view of the Committee, outputs should contain a time frame for the completion of logistics, communications and information technology projects.**

2. Resource requirements

11. Estimated requirements of $28,799,700 gross ($27,104,600 net) are proposed for the maintenance of the Base for the period from 1 July 2004 to 30 June 2005. The proposed budget represents an increase of $6,591,600 (or 29.7 per cent) in total gross resources in relation to the apportionment for the period from 1 July 2003 to 30 June 2004. As indicated in the table entitled "Financial resources" in the summary of the report (A/58/706), the total increase of $6,591,600 includes an increase of $3,917,400, or 55.2 per cent, in civilian personnel costs and an increase of $2,674,200, or 17.7 per cent, in operational costs.

(a) Civilian personnel

Category	*Posts approved 2003/04*	*Posts proposed 2004/05*
International staff	37	37
National staff	99	114

12. The following reclassifications are proposed:

(a) *Civilian Personnel Officer, from P-3 to P-4* (see A/58/706, para. 5 (a)). This reclassification is requested owing to greater responsibility in the management of staff entitlements;

(b) *Legal Officer, from P-2 to P-3* (ibid., para. 5 (b)). This reclassification is requested owing to an increase in responsibilities, which will include providing advice to the Chief Administrative Officer on substantive and procedural questions regarding human resource management, procurement and contracts as well as matters concerning relations with the host Government;

(c) *Chief, Information Technology Unit, from P-2 to P-3* (ibid., para. 5 (c)). As the Base has become a global hub for communications and information technology support to other peacekeeping operations, the competencies and responsibilities required to manage the services have increased.

Consistent with its past practice regarding posts below the P-5 level and on the basis of the justification provided, the Advisory Committee recommends acceptance of the foregoing proposals.

13. *Conversion of 15 individual contracts into 15 national posts (fixed-term contracts under the 100 series of the Staff Rules)* in the areas of finance, procurement, personnel, transport, engineering, air operations and communications. As indicated in the budget submission, an overall survey by the Department of Peacekeeping Operations revealed that these posts are core functions on a continuous basis for which the current individual contracts are not appropriate (see A/58/706, para. 6). **The Advisory Committee has commented on the matter of conversions extensively in its general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759). The Committee recommends that this matter be reviewed in the light of those comments and, if necessary, be resubmitted in the next budget for the United Nations Logistics Base; in the meantime, the present arrangements should be maintained.**

14. *Conversion of two national officer posts into two General Service local posts.* The Committee points out that the conversion is not properly explained in the budget estimates. The Committee sought clarification and additional explanation on the proposed conversion and was informed that the related budgetary implication would be a reduction of $35,000; the conversion is proposed in order to widen the possibilities for local recruitment. **The Committee has no objection to the proposal; however, the necessary explanations for this type of conversion should be provided in future budget documents.**

(b) Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$15,1116,800	$17,791,000

15. The estimated operational requirements of $17,791,000 (gross) represent an increase of $2,674,200, or 17.7 per cent, compared with the apportionment of $15,116,800 for the current period. The Committee received additional information on the increase, which is due to:

(a) Increased requirements under facilities and infrastructure attributable mainly to contractual services in support of activities relating to strategic deployment stocks, the acquisition of prefabricated structures for the communication and information technology offices and the renovation of three new warehouses for the exclusive use of the Base;

(b) Increased requirements under information technology attributable mainly to the support cost of newly incorporated EMC and Polycom systems, maintenance of the strategic deployment stocks and the replacement of information technology equipment in line with the replacement policy;

(c) Increased requirements under ground transportation attributable mainly to the cost of the preservation and maintenance of the strategic deployment stocks fleet of 1,190 vehicles to ensure that the vehicles are in a state of operational readiness;

(d) Increased requirements under consultants, attributable mainly to mandatory certification requirements: all construction projects, including the asphalting of internal roads, construction of hardstanding areas, upgrading of the storm water network and upgrading of the electrical network, have to be certified by a locally registered and certified professional.

Official travel

16. The estimate for official travel for 2004/05 amounts to $302,600, reflecting a decrease of $22,600, or 6.9 per cent, compared with the amount of $325,200 apportioned for 2003/04 (section II.A. of the proposed budget). The total of $302,600 includes a provision of $136,100 for training-related travel. The estimated total of $166,500 for official (non-training) travel would be required for travel relating to: aviation safety ($17,500); administrative/technical support ($17,500); transport and engineering issues ($22,000); communications and information technology issues ($46,500); administrative issues ($52,600); and warehousing procedures ($10,400).

17. **The Committee points out that the proposed travel programme does not contain any reference to outputs or activities to be implemented by the Base, except for travel relating to communication and information technology matters. Moreover, it contains a significant amount of travel by administrative staff. The Committee points out that the United Nations Logistics Base is a well-established operation in possession of highly sophisticated means of communication, including videoconferencing; therefore, most administrative issues relating to the Base should not require travel for consultations or discussions. The Committee is also of the view that the need for travel of the administrative and support staff of the Base to Headquarters to participate in trade fairs or shows is questionable. The Committee points out that the responsibility for travel expenditure rests with the Base; the Committee expects that travel expenditure will be monitored closely and that savings will be reported in the performance report.**

Training

18. Training requirements are estimated at $390,900, including training-related travel of $136,100. In the opinion of the Committee, the presentation of the training programme needs to be improved. **The Committee is concerned that no indication is given of what would be achieved as a result of training and that some training courses are not linked to specific outputs or activities implemented by the Base. The Committee points out that this approach to presenting training requirements is not consistent with the principles of the results-based framework.**

19. **The Advisory Committee requests that in the future the proposed training programme should contain a brief description of training courses as well as the results expected to be achieved in terms of the impact of training on outputs or activities implemented by the Base. The Advisory Committee draws attention to the recommendation of the Board of Auditors that the Administration evaluate the effectiveness of training actions in order to assess whether they have met individual and organizational goals (see A/58/5, vol. II, chap. II, para. 255).**

Consultants

20. The estimated requirements of $242,000 under consultants represent an increase of $192,000, or 384 per cent, compared with the apportionment of $50,000 for the current financial period. As indicated in paragraph 9 of the budget document, the increase is due mainly to the need to comply with the Italian Government and Italian Air Force mandatory requirements that all construction projects should be registered and certified by a local professional. **The Advisory Committee stresses the importance of ensuring competitive and transparent bidding on such consultants' services.**

Communications and information technology

21. The estimated requirements for communications ($4,658,300) and information technology ($3,559,600) represent a decrease of $559,800 and an increase of $1,167,900, respectively, compared with the apportionment for the current financial period. The Committee notes that, while reduced requirements for communications are due mainly to the receipt of communications equipment and spare parts from UNMIBH, the increased requirements for information technology are due mainly to the replacement of equipment in line with the 25 per cent replacement policy.

22. The Committee recalls that, in the context of its consideration of the proposed budget for the Base for the financial period 2003/04, the Committee requested a comprehensive examination of the merit of transferring to the Base post and non-post resources of the support account earmarked for helping to meet the communications and information technology needs of peacekeeping operations, retaining at Headquarters only a few posts for policy and liaison functions (A/57/772/Add.9, para. 22). The Committee notes from section VI of the budget document that such a comprehensive report is being prepared and will be submitted to the General Assembly for consideration at its resumed fifty-eighth session. **The Committee regrets the delay in the submission of the report. The Committee will submit its observations and recommendations on the matter when it receives the comprehensive report.**

II. Status of the strategic deployment stocks

23. The General Assembly, in its resolution 56/292 of 27 June 2002, endorsed the concept and implementation of the strategic deployment stocks for one complex mission and approved $141.5 million for this purpose. As at 30 June 2003, of the total budget of $141.5 million, expenditure amounted to $88.9 million. The General Assembly, in its resolution 57/315 of 18 June 2003, extended the validity of the approved resources to 30 June 2004. Accordingly, the balance of $52.6 million has been carried forward to the 2003/04 financial period. The report of the Secretary-General on the status of the implementation of the strategic deployment stocks (A/58/707) provides a breakdown of the $52.6 million by budget line (table 1), as well as information on unliquidated obligations of the strategic deployment stocks (table 2).

24. The Committee notes that, as at 31 December 2003, strategic deployment stocks had facilitated the rapid deployment and operational readiness of the United Nations Mission in Liberia, the United Nations Mission in Côte d'Ivoire, the United Nations Monitoring, Verification and Inspection Commission, the Office of the Special Representative of the Secretary-General for Iraq, and the operational requirements of a number of other missions. The Committee was informed that the value of strategic deployment stocks released to missions during the period from 1 July 2002 to 29 February 2004 amounted to $42.3 million (see annex II).

25. The Committee was also informed that, as at 5 March 2004, the strategic deployment stocks account reflected obligations of $83 million (59 per cent), expenditure of $46.9 million (33 per cent), and pre-encumbered amounts of $6.8 million (5 per cent), leaving a balance of $4.7 million (3 per cent) for projected expenditure against the total allotment of $141.5 million. The Committee was also informed of the current strategic deployment stocks of key capital equipment, as shown in the table.

Group	*Item*	*Approved quantity*	*In stock*
Transport	Four-wheel-drive vehicles	605	22
Engineering	Generators	358	236
	Hardwall modular ($26m^2$)	150	114
Communication and information technology supplies	Desktop computers	1 026	483
	Mobile deployable telecommunications systems	10	10
	HF radio mobile	402	341
Supply	Fuel bladders, 6 000 gallon	5	13
	Fuel pump, 150 litre	37	44
Medical	Headquarters clinic	6	0

26. **The Advisory Committee regrets that the report of the Secretary-General does not provide sufficient information on the administration of the strategic deployment stocks, including challenges and problems incurred in the course of their implementation. Taking into account the concept endorsed by the General**

Assembly and the experience gained, it would have been helpful to have information on initial lessons learned and deficiencies to be corrected. This should be done in the next budget submission. The Committee reiterates its previous recommendation on the consolidation of the report on the strategic deployment stocks and the report on the United Nations Logistics Base into a single document (see A/57/772/Add.9, para. 34).

27. The Committee points out that the report of the Secretary-General should be read in conjunction with the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2003, in which the Board raises a number of important issues relating to the implementation of the strategic deployment stocks (A/58/5, vol. II, chap. II, paras. 67-99).

28. The Committee notes from the report of the Board of Auditors that the goal of achieving full capability to support the rapid deployment of a complex mission by 1 July 2003 was not achieved (ibid., paras. 67-76). Factors hampering the acquisition and replenishment of the strategic deployment stocks such as contractual problems and the selection of vendors are detailed in the Board's report (ibid., para. 77). **The Committee urges the Secretariat to address these issues promptly.**

29. The Committee notes also that one of the issues relating to the implementation of the strategic deployment stocks which the Board discussed in its report was the timely replenishment of strategic deployment stock reserves. The Board noted that the existing pre-mandate commitment authority process did not allow for the inclusion of the replenishment of the strategic deployment stocks and expressed its view that, in order to shorten the lead time between the shipment of strategic deployment stocks and the replenishment thereof, the commitment authority process would be worth reviewing, including consideration of two alternatives: (a) in cases where the budget of a new mission has not yet been finalized, the commitment authority proposal to the Advisory Committee on Administrative and Budgetary Questions should include the provision to replenish the strategic deployment stocks; and (b) alternatively, the Department of Peacekeeping Operations could request a separate commitment authority for replenishing the strategic deployment stocks reserve during an interim period until the new mission budget is approved (ibid., para. 80). Moreover, the Board noted that there were different methods applied to replenish the strategic deployment stocks (ibid., para. 86).

30. The Board has also identified problem areas in the implementation of the strategic deployment stocks, such as the treatment of shipment and freight costs (see ibid., paras 92-94) and the promulgation of the policies and procedures regarding the rotation of strategic deployment stocks (ibid., paras. 95-97).

31. **The Committee shares the concerns of the Board.** It was informed that the start-up requirements of missions that could be launched in the near future are estimated at $340 million. **Thus, there may be quite a significant and even urgent need for strategic deployment stocks, although the Committee understands that, at present, it is not the intention to change financing arrangements.**

32. The Committee understands that, to coordinate the Secretariat efforts, a steering group on strategic deployment stocks was established in July 2003. The Committee was informed that the terms of reference of the Steering Group included operational readiness of strategic deployment stocks; replenishment, maintenance

and storage of strategic deployment stocks; stock rotation plan; validity of modular architecture and composition of selected modules; evaluation of the concept of strategic deployment stocks, monitoring the establishment of strategic deployment stocks; scrutinizing proposed changes to the approved plan; and ensuring that the United Nations attains the desired capacity to rapidly deploy all categories of strategic deployment stocks. The Steering Group also includes the Finance Working Group, which has the goal of developing procedures to ensure that all the financial transactions relating to strategic deployment stocks replenishment and rotation are correctly recorded in IMIS. **The Advisory Committee welcomes these developments. However, in view of the various difficulties in the implementation of the strategic deployment stocks that the Board of Auditors identified in its report, the Committee is of the view that the role of the Steering Group on Strategic Deployment Stocks, and its Finance Working Group, should be significantly enhanced to make it an effective and efficient tool in a coordinated approach to strategic deployment stocks. Moreover, since the issue of timely replenishment of strategic deployment stock reserves may become increasingly relevant, the Committee requests that the Secretariat expeditiously consider what measures need to be introduced to improve the replenishment policies and procedures relating to the strategic deployment stocks, while maintaining strategic deployment stocks in a new or "as new" condition, and to include this information in the annual report on the implementation of the strategic deployment stocks as requested by the General Assembly in its resolution 56/292.**

III. Conclusions of the Advisory Committee

33. The action to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 13 of the performance report (A/58/702). **The Committee recommends that the General Assembly approve the additional requirements of $154,300 gross with respect to the maintenance of the Base during the period from 1 July 2002 to 30 June 2003 and that the other income and adjustments for the period in the amount of $3,328,000 be credited to Member States in a manner to be determined by the General Assembly.**

34. The action to be taken by the General Assembly in connection with the financing of the Base for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 21 of the proposed budget (A/58/706). **In view of its comments above, the Advisory Committee recommends that the estimated budget requirements of $28,799,700 be reduced by $377,700 to $28,422,000.**

35. The action to be taken by the General Assembly in respect of the report of the Secretary-General on the status of the implementation of the strategic deployment stocks is indicated in paragraph 8 of the report (A/58/707). **Bearing in mind its comments in the paragraphs above, the Advisory Committee recommends that the General Assembly take note of the progress made by the Secretariat in the implementation of the strategic deployment stocks.**

Documentation

- Performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2002 to 30 June 2003 (A/58/702)
- Budget for the United Nations Logistics Base for the period from 1 July 2004 to 30 June 2005 (A/58/706)
- Report of the Secretary-General on the status of the implementation of the strategic deployment stocks (A/58/707)
- Report of the Advisory Committee on Administrative and Budgetary Questions concerning the financing of the United Nations Logistics Base and the status of the implementation of the strategic deployment stocks (A/57/772/Add.9)
- Report of the Board of Auditors on the accounts of United Nations peacekeeping operations for the financial period ended 30 June 2003 (*Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5* (A/58/5), vol. II, chap. II)

Annex I

Actual expenditure for the United Nations Logistics Base at Brindisi for the period from 1 July 2003 to 30 June 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditure as at 29 February 2004*
Military and police personnel		
Military observers	—	—
Military contingents	—	—
Civilian police	—	—
Formed police units	—	—
Subtotal	—	—
Civilian personnel		
International staff	2 889.0	2 131.6
National staff	4 202.3	3 023.8
United Nations Volunteers	—	—
Subtotal	**7 091.3**	**5 155.4**
Operational costs		
General temporary assistance	59.0	60.2
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	50.0	7.0
Official travel	171.2	94.6
Facilities and infrastructure	4 320.2	2 072.6
Ground transportation	1 609.3	851.6
Air transportation	—	—
Naval transportation	—	—
Communications	5 218.1	2 356.6
Information technology	2 391.7	2 292.0
Medical	102.8	—
Special equipment	—	—
Other supplies, services and equipment	1 194.5	380.9
Quick-impact projects	—	—
Subtotal	**15 116.8**	**8 115.5**
Gross requirements	**22 208.1**	**13 270.9**
Staff assessment income	1 258.5	665.3
Net requirements	**20 949.6**	**12 605.6**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**22 208.1**	**13 270.9**

Annex II

Strategic deployment stocks released to missions

1 July 2002-29 February 2004

Mission	*Strategic deployment stocks released (thousands of United States dollars)*
United Nations Observer Mission in Liberia[a]	36 702.3
United Nations Assistance Mission in Afghanistan	1 044.4
United Nations Monitoring, Verification and Inspection Commission	893.5
United Nations Mission in Côte d'Ivoire	841.9
United Nations Mission in Sierra Leone	749.7
United Nations Organization Mission in the Democratic Republic of the Congo	688.7
United Nations Assistance Mission for Iraq/Office of the Special Representative of the Secretary-General for Iraq	628.5
United Nations Interim Administration Mission in Kosovo	322.4
United Nations Disengagement Observer Force	198.6
United Nations Office of the Humanitarian Coordinator in Iraq	62.9
United Nations Mission in Angola	62.3
United Nations Military Observer Group in India and Pakistan	31.5
United Nations Peacekeeping Force in Cyprus	34.6
United Nations Iraq-Kuwait Observation Mission	2.4
Total	**42 263.9**

[a] Including assets in transit.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Organization Mission in the Democratic Republic of the Congo

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Organization Mission in the Democratic Republic of the Congo

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation 2002/03	$581,933,500
Expenditure 2002/03	$479,952,000
Appropriation 2003/04	$641,038,300
Proposal submitted by the Secretary-General 2004/05	$718,305,600
Recommendation of the Advisory Committee 2004/05	$709,123,200

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I. Introduction

1. The recommendations of the Advisory Committee in paragraphs 17, 34, 36, 39 and 45 below would entail a reduction of $9,182,400 to the proposed budget for the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) for the period from 1 July 2004 to 30 June 2005 (A/58/701). The Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.

2. The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to MONUC.

3. The documents used by the Advisory Committee in its consideration of the financing of MONUC are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/252 C of 27 June 2002, appropriated an amount of $608,325,264 for the period from 1 July 2002 to 30 June 2003, inclusive of $581,933,464 for the maintenance of the Mission, $23,568,200 for the support account for peacekeeping operations and $2,823,600 for the United Nations Logistics Base. Expenditures for the period totalled $479,952,000 gross ($469,914,400 net). The resulting unencumbered balance of $101,981,464 gross represents, in gross terms, 17.5 per cent of the appropriation.

5. Key resource variances include savings resulting from the adjustment by the Security Council of the authorized strength of the military observers from 810 to 760 and the delayed deployment of military contingent personnel and civilian police, as well as savings under international staff owing to delayed deployment, the closure of the Office of the Neutral Facilitator and the downsizing of the Civil Affairs Section. Savings were also realized under facilities and infrastructure as the result of delayed implementation of airfield infrastructure renovation and rehabilitation projects and the acquisition of fewer prefabricated facilities owing to the delayed deployment of military contingents. In addition, the delayed deployment of commercially contracted aircraft and military helicopters resulted in savings under air operations.

6. The Advisory Committee notes from section III.B of the performance report (A/58/684) that a total of $31,456,000 is indicated for other income and adjustments for the period, comprising $6,547,000 in interest income, $2,464,000 for other/miscellaneous income and $22,581,000 in savings on or cancellation of prior-period obligations, offset by a reduction of $136,000 for prior-period adjustments. Upon request, the Committee was provided with a breakdown of the amount of $22,581,000 for savings on cancellation of prior-period obligations (see annex I).

The Committee requests that future performance reports include an explanation of such adjustments.

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2004 to 30 June 2005 in the paragraphs below.

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 29 February 2004, a total of $1,813,963,000 had been assessed on Member States in respect of MONUC since its inception. Payments received as at the same date amounted to $1,468,710,894, leaving an outstanding balance of $345,252,106. As at 29 February 2004, the cash position of the Mission was $158,100,000, and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $53,740,000.

9. The Advisory Committee was informed that troop cost reimbursement from inception to 31 October 2003 totalled $125,137,284, while the estimated amount owed for the period from 1 November 2003 to 29 February 2004 was $44,673,926. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $39,067,360 had been reimbursed and the estimated amount owed was $45,780,000, while unliquidated obligations for the period up to 30 June 2004 totalled $69,388,000. In respect of death and disability compensation, $464,000 had been paid as at 29 February 2004 for 10 claims, 15 claims were pending and unliquidated obligations amounted to $3,726,000.

10. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for MONUC for the period from 1 July 2003 to 30 June 2004 was as follows:

	Post authorized[a]	*Posts encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military observers	760	744	2.1
Military contingent personnel	10 040	10 003	0.4
Civilian police	182	132	27.5
International staff[b]	938	625	33.4
National staff[b]	1 299	938	27.8
United Nations Volunteers	419	287	31.5

[a] Representing the highest authorized strength for the period.

[b] Based on the revised staffing table in effect from 1 December 2003.

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex II). Expenditure for the period amounted to $475,397,900 gross ($469,691,400 net) against an apportionment of $641,038,300 gross. **The Committee notes from the table that an overexpenditure has already occurred or appears likely to occur**

under a number of budget lines, for example, consultants, official travel, ground transportation and special equipment.

12. In accordance with the recommendation of the Advisory Committee (A/58/447, para. 55), the General Assembly, in its resolution 58/259 of 23 December 2003, appropriated an amount of $59,038,300 in addition to the amount of $582 million already appropriated and apportioned for the period from 1 July 2003 to 30 June 2004. The additional $59 million was not assessed on Member States, on the understanding that the Committee would review the situation at the time of its examination of the estimates for 2004/05. **The Committee was informed that it was anticipated that additional funds would need to be assessed. Accordingly, the Secretary-General would submit a note to the General Assembly, through the Advisory Committee, at the end of April 2004 requesting assessment for additional funds.**

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

13. The Advisory Committee observes that the results-based budgeting framework used for MONUC is more closely aligned with its mandate and with the reports of the Secretary-General to the Security Council than is the case with most other missions. Its mission-specific components include "peace and security in the Democratic Republic of the Congo", "the Transitional Government and elections", "rule of law" and "the human dimension of sustainable peace". From its discussions with the representatives of the Secretary-General, the Committee understands that this framework arises because of the complex and multidimensional nature of the Mission. **The Committee points out, however, that this exception proves that results-based budgeting techniques can be used more flexibly and can be tailored to the particular circumstances of a mission. The Committee encourages the Secretariat to develop this approach further by adapting it to other missions also.**

14. The Advisory Committee notes that in order to link human resource requirements to components, the staffing of some organizational units is divided up among several components. For example, the Office of Public Information lists human resources under components 1, 2, 3 and 4. The Committee recognizes the difficulties inherent in this exercise. It notes, for example, that the post of Director of the Office of Public Information, at the D-1 level, is listed under component 4 (the human dimension of sustainable peace), when obviously the head of the Office would have functions which relate to all the components in which the staff of the Office are involved. Logically, however, the head of the Office must be placed somewhere, though his or her time may be split up among components, and logically this may also be the case for other staff in the Office and in other offices in the Mission. **The Committee acknowledges therefore that the linkage of human resources to components is merely indicative; nevertheless, it is of the opinion that with further refinement such linkage could prove a useful tool.**

15. In some cases, human resources are listed under a component for which there is no obvious expected accomplishment, indicator of achievement or output that

directly relates to the staff concerned. For example, the human resources listed under component 3 (rule of law) include 36 staff of the Office of Public Information, yet there does not appear to be much under the outputs that relates to public information. **Care should be taken to ensure that the need for staff under a component is adequately reflected in the outputs.**

B. Resource requirements

1. Military and police personnel

Category	*Approved 2003-2004*	*Proposed 2004-2005*
Military observers	760	760
Military contingent personnel	10 040	10 040
Civilian police	182	182

16. An increase of $29,706,000, or 11.9 per cent, in comparison with the apportionment for the current period is proposed under military and police personnel for 2004/05. The variance is mainly attributable to assumption of full deployment, with a 3 per cent turnover factor applied to military observers and military contingent personnel and a 10 per cent delayed deployment factor applied for mission subsistence costs of civilian police.

17. Upon request, the Advisory Committee was provided with details on troop rotation (see annex III), which indicated that rotation times in MONUC vary from one month to one year, a large proportion rotating after periods longer than six months. As the proposed budget is prepared on the basis of a six-month rotation period, and savings will be realized as the result of the longer rotation period, the Committee is of the view that the estimate for military contingents could be adjusted downward. **Accordingly, the Committee recommends that the estimate of $229,149,700 for military contingents be reduced by 3 per cent, or $6,874,500, to $222,275,200. The Committee is aware that in some cases national legislation stands in the way of longer rotation periods; however, it requests the Secretariat to look into the feasibility of extending the time between rotations, whenever possible.**

18. The Advisory Committee was informed that the Mission was making every effort to comply with the terms of the memorandums of understanding signed with troop-contributing countries, whereby the United Nations is to provide hard-wall accommodation for contingents after the first six months of deployment; 35 per cent of troops were still accommodated in tents, however. The reason given by the Mission for that situation was that the fluidity of the Mission's operational environment necessitated the redeployment of contingents within the Mission area, making it impractical for MONUC to provide all contingents with hard-wall accommodation at all times. **The Committee points out that financial considerations should not be a predominant factor in such decisions; troops should be provided with hard-wall accommodation, except when the requirements for mobility of units and the operational environment genuinely dictate otherwise.**

19. With regard to rations, the Advisory Committee was informed that the "average ceiling man rate" of $5.98 for the period 2004/05 reflected a reduction from the rate of $6.18 budgeted for the current period, which was the result of renegotiation of the contract. The Committee was also informed that the Mission would like to proceed with door-to-door delivery of rations by the contractor by air. Among the reasons given by the Mission for this was that there had been instances in which delays, deviations or cancellations in air operations had led to deterioration in the quality of rations or food spoilage. If the responsibility for air delivery were transferred from the Mission to the contractor, any costs incurred due to spoilage would also be the responsibility of the contractor.

20. **The Advisory Committee is still not convinced by this argument. The Committee does not understand why a contractor with limited air resources would be better able to deliver without spoilage than the Mission, with its large air fleet. Taking into account the Mission's air assets and the fact that their utilization rate has been far below capacity, the Committee is of the view that the problem may be a matter of improper management. Furthermore, while the Committee was informed that preliminary data provided by the current contractor indicated that the contractor's prices would not exceed the cost otherwise incurred through the use of United Nations air assets, it is concerned that this alternative may prove more expensive than anticipated. If, indeed, spoilage is a problem, then, in the long run — that is to say, in future contracts — the costs incurred by the contractor may in any case be passed on to the Mission.**

21. The Advisory Committee is cognizant of the difficulties entailed in delivering rations in a country as large as the Democratic Republic of the Congo. Currently, however, no air deliveries are being carried out by contractors in existing missions, and the Committee is concerned about the legal ramifications this new arrangement might have. The rations provider will have to subcontract out the delivery of the rations by air, which could mean, in effect, that a subcontractor would be flying aircraft using the United Nations logo, but that the United Nations would have no control over the flight patterns, the aircraft or their cargo.

22. The Advisory Committee has commented on this issue in its last two reports on MONUC (see A/57/772/Add.10, annex, paras. 25 and 26, and A/58/447, paras. 22-24). In its report of 9 May 2003 (A/57/772/Add.10), the Advisory Committee requested the Secretariat to consider possible alternatives to this arrangement and to properly justify the results in the next budget submission. No such follow-up information was provided. **The Committee therefore recommends that the Board of Auditors look into the issue of the management of rations in peacekeeping operations as a whole. In the meantime, the Committee requests the Department of Peacekeeping Operations, together with the Mission, the Procurement Division and the Office of Legal Affairs, to prepare a cost/benefit analysis on the issue of contractor delivery of rations by air and, pending completion of the analysis, to continue to deliver rations using United Nations air assets. If, after proper analysis, the decision is made to transfer the responsibility for delivering rations to the final destinations to the contractor, the Committee would expect to see a corresponding reduction in Mission air assets, as well as a reduction in staff dealing with rations.**

2. Civilian personnel

Category	*Approved 2003-2004*	*Proposed 2004-2005*
International staff	938	972
National staff[a]	1 299	1 354
United Nations Volunteers	419	490

[a] Including national officers and national General Service staff.

23. An increase of $43,438,400, or 40.3 per cent, in comparison with the apportionment for the current period is proposed under civilian personnel for 2004/05. The variance is mainly attributable to the application of a 15 per cent vacancy factor for international staff, as compared to the 30 per cent delayed recruitment factor applied in 2003/04, the proposed increase of the international staffing establishment by 34 posts (1 D-2, 1 D-1, 13 P-4, 9 P-3, 4 Field Service and 6 General Service (Other level)), the application of G-3, step IV, of the revised salary scale for national General Service staff, the proposed increase in the national staffing establishment by 55 posts and the proposed increase in United Nations Volunteers by 71.

(a) Recommendations on posts

Electoral Assistance Division

24. In accordance with the Global and All-Inclusive Agreement on the Transition, of 17 December 2002, elections are to held in the Democratic Republic of the Congo within two years after the establishment of the Transitional Government, which would mean by July 2005. MONUC and the Independent Electoral Commission will face many challenges in their efforts to organize those elections. The country is large and populous, with limited infrastructure, few roads and poor communications facilities. Furthermore, given the country's history, there will be a need for expertise in the conduct of multiparty elections. The Mission's role will include support in the development of the Electoral Law, the Law on Nationality, the draft Constitution and a code of conduct for political parties, as well as in the registration of voters and the conduct of elections.

25. The proposed budget for 2004/05 provides for an increase in the staffing of the Electoral Assistance Division by 126 personnel. As the Division consisted of only four posts previously, the request actually constitutes the establishment of the Division. The Advisory Committee recalls that during its consideration of the proposed budget for 2003/04 it was informed that the Secretary-General would present recommendations concerning the Electoral Assistance Division at a later time (see A/58/447, para. 34). During its consideration of the proposed budget for 2004/05, the Committee was provided with a detailed work plan and timetable, which outlined the tasks to be carried out by the Electoral Assistance Division in the period leading up to elections. Those tasks include:

(a) Establishment of the Electoral Assistance Division;

(b) Strengthening of the institutional capacity of the Independent Electoral Commission, including support in the drafting of laws, as well as assistance in the

establishment of Electoral Commission liaison offices, preparation of the electoral budget and training of members of the Independent Electoral Commission;

(c) Support in the registration of voters, including logistics, training and deployment of personnel, logistical support in the distribution of registration material and assistance in the sensitization of the population and the preparation of voter lists and voter cards;

(d) Support in the constitutional referendum, including assistance in the preparation and publicizing of the draft Constitution, logistical support for the training of personnel and the deployment of personnel and material, technical and logistical support in collecting results, and assistance in the provision of security to the operations;

(e) Support in the organization of local, legislative and presidential elections, including technical and material support in organizing the elections.

The Advisory Committee notes that the work plan is not coincidental with the Government's plan, nor are the dates for elections fixed as yet. The timetable for the completion of tasks, which formed part of the information provided to the Committee, is merely indicative.

26. The personnel requested for the Electoral Assistance Division (see A/58/701, sect. I, component 2.2) are summarized in the paragraphs 27 to 30 below.

27. Office of the Director, three new posts:

(a) One D-2, Director of the Electoral Assistance Division;

(b) One General Service (Other level), Administrative Assistant;

(c) One national staff, driver.

28. Office of the Electoral Coordinator, 13 new posts:

(a) One D-1, Senior Electoral Affairs Adviser;

(b) One P-4, Registration Officer;

(c) One P-4, Legal Officer;

(d) Four General Service (Other level) posts: one Administrative Assistant and three Administrative Clerks/Secretaries;

(e) Two national staff, drivers;

(f) Four United Nations Volunteers.

29. Office of the Electoral Administration, six new posts:

(a) General Service (Other level), Administrative Clerk/Secretary;

(b) Two national staff, drivers;

(c) Three United Nations Volunteers.

30. Field Offices, 104 additional posts:

(a) Eight P-4 and six P-3 posts, Electoral Coordinators;

(b) Thirty national staff, clerks/drivers;

(c) Sixty United Nations Volunteers: one Civic Education/Training Officer, two Logistics Officers and one Administrative Finance Assistant per field office.

31. **Given the magnitude of the work to be undertaken by the Electoral Assistance Division, and the circumstances prevailing in the Democratic Republic of the Congo, the Advisory Committee considers the proposed staffing establishment for the Division to be merited. It therefore recommends approval of all of the posts requested for the Division, on the understanding that recruitment would be directly linked to developments in the electoral process. Once electoral activities abate, the Committee would expect to see a reduction in the staffing of the Division. With regard to the high number of drivers requested, the Committee understands that these staff will be needed for the election process and appreciates the fact that they will be hired to function as both clerks and drivers, ensuring that they can be used for clerical duties when they are not needed as drivers.**

Office of Public Information

32. The proposed budget for 2004/05 contains requests for 34 new personnel for the Office of Public Information (see A/58/701, sect. I, component 2.2) in connection with the elections, as follows:

(a) One P-4 post, Public Information Officer/Head of Radio Electoral Desk, Radio Unit, Kinshasa;

(b) Two P-4 posts, Public Information Officers, Lubumbashi and Bunia;

(c) Three P-3 posts, Public Information Officers, Kinshasa, Kisangani and Lubumbashi;

(d) Four Field Service posts: one cameraman at Kinshasa and three Public Information Assistants in Lubumbashi, Mbandaka and Kindu;

(e) Twenty national staff: two each in Kinshasa, Goma, Mbandaka, Kisangani, Bunia, Lubumbashi, Matadi, Kindu and Bukavu, and one each in Kananga and Mbuji-Mayi;

(f) Four United Nations Volunteers: one radio technician in Kinshasa, one video assistant in Bunia and one community outreach assistant each in Lubumbashi and Matadi.

33. **In the opinion of the Advisory Committee, the need for all the additional staff in the Office of Public Information has not been adequately justified. While the Committee recognizes that the electoral process will mean additional workload for the Office, that increase is not clearly, if at all, reflected in the outputs, which, in fact, are very similar to those submitted in the budget for the current period (see A/58/381). Moreover, the current period has seen a significant enlargement of the staffing of the Office — from 82 in 2002/03 to 192 in 2003/04.**

34. **The Advisory Committee is of the opinion that, as public information needs change, programmes should be reoriented and staff redeployed wherever possible. Furthermore, in the view of the Committee, more emphasis should be given, at this time, to public information activities in the field. It therefore recommends against approval of the additional P-4 Public Information**

Officer/Head of the Radio Electoral Desk in Kinshasa, where there is already a substantial public information presence. Taking into account additional information made available to it, the Committee recommends approval of 17 additional personnel for field offices (outside of Kinshasa) as follows:

(a) Three P-3 Public Information Officers to head public information offices and supervise junior and local staff members;

(b) Nine national staff to serve as journalists/radio presenters and interpreters/translators, on the understanding that they would be used flexibly as the need arises in various locations;

(c) Five United Nations Volunteers to provide technical support to public information campaigns related to voter registration and the electoral process and to cover local events and participate in community outreach activities. The Advisory Committee points out that United Nations Volunteers have been very useful in past electoral activities.

35. **It is the understanding of the Advisory Committee that these additional 17 personnel are temporary, and are directly related to electoral activities. Therefore, once activities abate, the Committee would expect to see a reduction in the staffing of the Office of Public Information.**

Administration

36. The following reclassifications have been requested in the Division of Administration (A/58/701, sect. I, component 5.1):

(a) *Reclassification from P-3 to P-4, Chief Claims/Property Survey Officer*. The requested reclassification reflects the increased level of responsibility involved in the review of complex third-party claims against the Organization with potentially significant financial implications, as well as the increased volume of property survey cases related to write-off of equipment;

(b) *Reclassification from P-3 to P-4, Deputy Chief Supply Officer*. The requested reclassification reflects the increased complexity of supply operations in connection with the deployment of military and civilian personnel to the eastern regions of the country, as well as expansion of the Supply Section's responsibility to include operational aspects of managing large-scale fuel and rations contracts.

The Advisory Committee recommends that consideration of the reclassifications be deferred pending completion of the comprehensive review of the organizational structure of the Mission discussed in paragraph 37 below.

(b) Other observations and recommendations

37. In its report on the proposed budget of MONUC for 2003/04, the Advisory Committee devoted considerable attention to the organizational structure of the Mission and requested that it be re-examined with a view to streamlining processes and avoiding duplication (A/58/447, para. 37). **The Committee does not consider the information provided in section V of the proposed budget to be an adequate response to its concerns. The Committee trusts that a comprehensive review will be undertaken and reported in the context of the next budget submission.**

38. Upon request the Committee was provided with detailed organization charts showing posts (see annex IV). **Future budget submissions should contain such charts, showing both established posts and new posts requested.**

39. The Advisory Committee notes that estimated resource requirements for national staff take into account a 5 per cent vacancy factor. **In view of the fact that the current vacancy rate for national staff is 27.8 per cent (see para. 10 above), the Committee is of the view that the budgeted 5 per cent is optimistic. The Committee therefore recommends that the estimate be revised to take into account a 10 per cent vacancy factor for national staff.**

40. The Advisory Committee exchanged views with representatives of the Secretary-General on the conversion of the contractual status of staff in peacekeeping missions from the 300 series of the Staff Rules to the 100 series. As regards MONUC, the Committee was informed that cost implications for conversion of the contractual status of staff members from the 300 to the 100 series of the Staff Rules in the period 2004/05 was not included in the budget estimates for 2004/05 for the Mission. The comments of the Advisory Committee on this issue are contained in its general report on peacekeeping operations.

3. Operational costs

Apportioned 2003-2004	*Proposed 2004-2005*
$282 925 100	$287 048 000

41. The estimated operational requirements for the period from 1 July 2004 to 30 June 2005 represent an increase of $4,122,900, or 1.5 per cent, as compared with the apportionment for the current period. The main variances under operational costs include increased requirements relating to the replacement of 122 vehicles, the projected increase in aircraft flying hours and increased self-sustainment requirements for military contingents, under communications, attributable to the full deployment of 10,040 contingent personnel. These increases are offset by reductions under facilities and infrastructure for generators, prefabricated facilities and firefighting equipment, in respect of which procurement action will be completed during the current period, and reduced requirements owing to completion of major construction and rehabilitation projects during 2003/04, as well as reductions under information technology for data-processing equipment, in respect of which procurement action will be completed during the current period.

Official travel

42. For the 2002/03 period expenditure for official travel totalled $5,249,400, of which $669,100 was training-related. This amount represents an overexpenditure of $3,464,600. The Advisory Committee notes from the detailed information provided that a large portion of the travel expenditure is not related specifically to MONUC, but rather involves travel of staff of the Department of Peacekeeping Operations to Brindisi or to meet with vendors — travel expenses which should be charged to the support account for peacekeeping operations. **The Committee is concerned with the Department's use of the large budget of MONUC to fund its unbudgeted travel. Such a practice is not consistent with transparent budgeting and should cease.**

43. In connection with unforeseen travel from Headquarters to the Mission, the Advisory Committee was informed that, should such travel be required, a request is made to the Chief Administrative Officer by the Finance Management and Support Service at Headquarters to redeploy funds from the field to Headquarters or from other accounts administered by Headquarters. As the authority and responsibility for the management of missions' financial resources is delegated to the Chief Administrative Officer, all such requests must be accompanied by adequate justification as to the purpose of the travel and the impact it is expected to have on the delivery of results-based budgeting outputs. The Chief Administrative Officer is able to refuse any unforeseen travel requests that lack adequate justification. **Under the circumstances, the Committee expects strict and effective control of the Mission's travel budget.**

44. For 2004/05, the estimate for official travel is $4,222,300, representing an increase of $279,600, or 7.1 per cent, over the apportionment of $3,942,700 for 2003/04. The Committee was informed that, of the total amount, $218,700 was for training-related travel, a reduction of $662,000 in relation to the apportionment for 2003/04. The Committee was informed that the variance under training-related travel was attributable to efforts by the Mission to keep travel to distant destinations at a minimum and to provide training within the Mission area. **The Committee commends these efforts and encourages their continued application.**

45. With regard to travel unrelated to training, the estimate for 2004/05 is for $4,003,586, an increase of $941,600 over the apportionment for 2003/04. The Advisory Committee was informed that the variance was mainly due to an increase in the provision for within-Mission travel in connection with support of the voter registration and electoral processes. Requirements for within-Mission travel are estimated at $3 million. The Committee was also informed that the bulk of the cost for within-Mission travel was attributable to accommodation costs (approximately $70 per person per day), as United Nations air assets were used for such travel; the Committee was provided with a breakdown of accommodation and airfare costs for both 2002/03 and 2004/05 (see annex V). **While the Committee recognizes that there will be an increased need for within-Mission travel in preparation for the elections, no explanation is given as to how the Mission arrived at the figure of $3 million; it therefore appears somewhat arbitrary. Accordingly, the Committee recommends that the estimate for official travel be maintained at the current level of $3.9 million, the reduction to be effected on that portion of the travel estimate not related to voter registration and the electoral process. The Committee intends to monitor this in the context of the performance report.**

Ground transportation

46. For 2004/05, the estimated requirement of $12,360,600 for ground transportation represents an increase of $4,469,700, or 56.6 per cent, over the apportionment for 2003/04. The additional requirements relate mainly to the replacement of 72 ex-MINURCA four-wheel-drive vehicles and 50 light and medium buses, as well as to the acquisition of 15 new four-wheel-drive vehicles to support approximately 60 military staff officers assigned to the Ituri Brigade headquarters. It had originally been expected that the Ituri Brigade would be supported in this respect by one of the contingents; however, it is now to be supported by the Mission. With regard to the 50 light and medium buses to be replaced, the Advisory Committee was informed, upon enquiry, that these consisted of 39 light buses with mileage over 150,000 kilometres, 4 of which were written off

following road accidents, and 11 medium buses. All of the 50 buses had been continuously employed in the Mission's transport dispatch service since their transfer from UNMIK and UNMIBH and all are in poor mechanical condition owing to the inferior road infrastructure and harsh climate in the country.

Air transportation

47. The estimate for air transportation for the period ending 30 June 2005 amounts to $162,428,400, an increase of $6,369,600 in relation to the apportionment for the current period. The variance, as explained in paragraph 18 of the proposed budget (A/58/701) relates mainly to a projected increase in aircraft flying hours and related increased rental costs and aviation fuel consumption owing to logistical support requirements in connection with the deployment of military and additional civilian personnel to the east of the country. The Advisory Committee notes that the air fleet has been reduced from 54 aircraft (29 helicopters and 25 fixed-wing) to 51 (28 helicopters and 23 fixed-wing).

48. The Advisory Committee notes from the supplementary information provided to it that in 2002/03, of the 22,320 hours budgeted for helicopters, only 9,286 were actually flown. For fixed-wing aircraft, 26,980 hours were budgeted and 14,322 were flown. Upon enquiry, the Committee was informed that MONUC air capacity was much more fully utilized at present, owing to fuller deployment of contingents and civilian police, as well as the deployment to the east of the country.

Bank charges

49. The Advisory Committee was informed that the requirement for bank charges had increased by $564,900 in relation to the apportionment for 2003/04 of $1,639,100 and that this was attributable to increased requirements in respect of transportation of cash under commercial contractual arrangements for 2004/05 in comparison with 2003/04, when the contract covered requirements only from 3 December 2003 to 30 June 2004. The Committee was also informed that, as the economy of the country improves, more commercial banks are opening up in different localities, and this should reduce expenditure on cash delivery.

C. Other matters

Oversight arrangements

50. In the opinion of the Advisory Committee, a number of factors, including the size of the country and the complexity of operations, put this Mission at high risk for fraud and other financial/management problems. **It is therefore essential that adequate oversight coverage be provided for the Mission. The Committee requests that the oversight arrangements for MONUC be reported on in the next budget submission for the Mission.**

Logistics

51. The Advisory Committee enquired about the possibility of utilizing the logistics potential of MONUC to provide operational and logistical support to new missions to be established in the region, with particular reference to Burundi and the Sudan. The Committee was informed that the Mission's logistics base in Kigoma, United Republic of Tanzania, and its transit base in Entebbe, Uganda, have sufficient capacity to provide extensive support for new missions and that both

locations have sufficient capacity in terms of space which could be used for the construction of additional facilities should the need arise. The Committee was also informed that the provision by MONUC of significant additional support to other missions in the region would entail requirements for additional personnel.

V. Conclusions of the Advisory Committee

52. The action to be taken by the General Assembly in connection with the financing of MONUC for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 24 of the performance report (A/58/684). **The Committee recommends that the unencumbered balance of $101,981,500, as well as other income/adjustments in the amount of $31,456,000, be credited to Member States in a manner to be determined by the Assembly.**

53. The action to be taken by the General Assembly in connection with the financing of MONUC for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 26 of the proposed budget (A/58/701). **Taking into account its recommendations in paragraphs 17, 34, 36, 39 and 45 above, the Advisory Committee recommends that the estimated budget requirement of $718,305,600 be reduced by $9,182,400. Accordingly, the Committee recommends that the General Assembly appropriate an amount of $709,123,200 gross ($691,599,900 net) for the maintenance of MONUC for the 12-month period from 1 July 2004 to 30 June 2005.**

Documentation

- Performance report on the budget of the United Nations Organization Mission in the Democratic Republic of the Congo for the period from 1 July 2002 to 30 June 2003 (A/58/684)
- Budget for the United Nations Organization Mission in the Democratic Republic of the Congo for the period from 1 July 2004 to 30 June 2005 (A/58/701)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed budget of the United Nations Organization Mission in the Democratic Republic of the Congo (A/57/447 and Corr.1)
- General Assembly resolutions 56/252 C and 58/259 on the financing of the United Nations Organization Mission in the Democratic Republic of the Congo
- Fourteenth report of the Secretary-General on the United Nations Organization Mission in the Democratic Republic of the Congo (S/2003/1098)
- Security Council resolutions 1291 (2000), 1445 (2002), 1493 (2003) and 1522 (2004)

Annex I

United Nations Organization Mission in the Democratic Republic of the Congo: savings on or cancellation of prior-period obligations

At 30 June 2003

(Thousands of United States dollars)

Category	
Military and police personnel	
Military observers	779.4
Military contingents	2 748.1
Civilian police	30.1
Formed police units	-
Subtotal	**3 557.6**
Civilian personnel	
International staff	1 163.6
National staff	-
United Nations Volunteers	-
Subtotal	**1 163.6**
Operational costs	
General temporary assistance	-
Government-provided personnel	-
Civilian electoral observers	-
Consultants	-
Official travel	99.4
Facilities and infrastructure	1 810.2
Ground transportation	1 658.5
Air transportation	7 358.6
Naval transportation	40.1
Communications	3 018.4
Information technology	367.5
Medical	32.4
Special equipment	-
Other supplies, services and equipment	3 471.3
Quick-impact projects	3.4
Subtotal	**17 859.8**
Grand total	**22 581.0**

Annex II

Actual expenditures for the United Nations Organization Mission in the Democratic Republic of the Congo for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Unliquidated obligations*	*Disbursements*	*Expenditure*
Military and police personnel				
Military observers	40 836.8	999.4	25 774.8	26 774.2
Military contingents	203 279.3	127 957.4	67 678.0	195 635.4
Civilian police	6 171.0	170.6	3 393.2	3 563.8
Formed police units	-	-	-	-
Subtotal	**250 287.1**	**129 127.4**	**96 846.0**	**225 973.4**
Civilian personnel				
International staff	87 103.0	805.2	54 911.1	55 716.3
National staff	8 179.9	-	5 685.6	5 685.6
United Nations Volunteers	12 543.2	933.6	6 450.9	7 384.5
Subtotal	**107 826.1**	**1 738.8**	**67 047.6**	**68 786.4**
Operational costs				
General temporary assistance	-	-	24.0	24.0
Government-provided personnel	-	-	-	-
Civilian electoral observers	-	-	-	-
Consultants	165.7	63.1	119.1	182.2
Official travel	3 942.7	294.4	3 068.0	3 362.4
Facilities and infrastructure	62 741.8	25 870.0	10 335.9	36 205.9
Ground transportation	7 890.9	5 606.1	1 701.2	7 307.3
Air transportation	156 058.8	36 719.3	61 329.8	98 049.1
Naval transportation	3 610.6	516.6	1 369.5	1 886.1
Communications	17 005.1	12 810.0	2 000.2	14 810.2
Information technology	6 974.3	2 137.7	1 189.8	3 327.5
Medical	5 576.0	4 202.0	297.7	4 499.7
Special equipment	3 636.6	3 921.8	31.6	3 953.4
Other supplies, services and equipment	14 322.6	3 394.6	3 083.5	6 478.1
Quick-impact projects	1 000.0	418.8	133.4	552.2
Subtotal	**282 925.1**	**95 954.4**	**84 683.7**	**180 638.1**
Gross requirements	**641 038.3**	**226 820.6**	**248 577.3**	**475 397.9**
Staff assessment income	13 267.0	-	5 706.5	5 706.5
Net requirements	**627 771.3**	**226 820.6**	**242 870.8**	**469 691.4**
Voluntary contributions in kind (budgeted)	2 274.0	-	-	-
Total requirements	**643 312.3**	**226 820.6**	**248 577.3**	**475 397.9**

Annex III

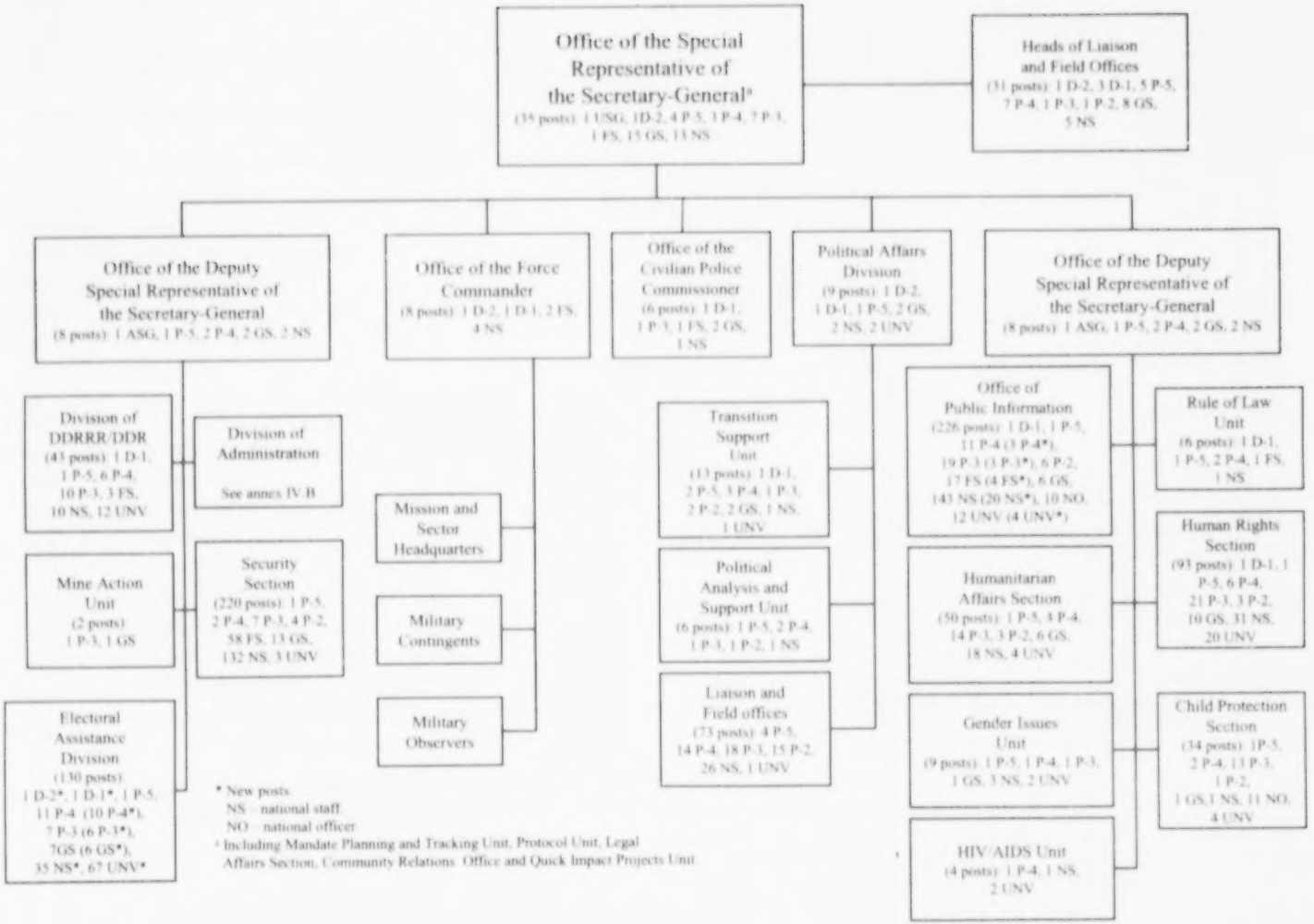
Contingent rotation in the United Nations Organization Mission in the Democratic Republic of the Congo in 2004

Country	*Type of unit*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Comments*
Uruguay	Infantry, Engineering Co.			200			1 071							9-month rotation
Uruguay	Riverine Unit Bhandaka									170				9-month rotation
Uruguay	Riverine Unit Kindu									85				9-month rotation
Uruguay	Airfield Services Unit				84						84			6-month rotation
Senegal	2 Guard Units						459						459	6-month rotation
Morocco	Infantry Batt. and Hospital II	150	150	150	150	150	150	150	150	150	150	150	150	Monthly rotation
Bolivia	1 Guard Unit						220						220	6-month rotation
Ghana	2 Guard Units					460						460		6-month rotation
South Africa	Infantry Batt. and MP Unit					1 066						1 066		6-month rotation
South Africa	Engineering Co. and well drilling Other elements					202						202		6-month rotation
Tunisia	Guard Units		250		210				250		210			6-month rotation
France	Support elements													Only 3 elements
China	Engineering Co. Hospital II								218					8-month rotation
Bangladesh	MP Unit (part I)				15									1 year
Bangladesh	Infantry Batt. and MP Unit								1 066					1 year
Bangladesh	Aviation Units								210					1 year
Bangladesh	MP Unit (part II)								13					1 year
Serbia and Montenegro	Aeromedical Evacuation Team				6						6			6-month rotation
Sweden	Airfield Services Unit						90							End contribution. Repatriation
India	Helicopters		48						237 48					Aviation 1 year Infantry (Guard Unit) 6 months
Pakistan	Infantry Batt.								1 050					1 year
Indonesia	Engineering Co.									175				1 year
Nepal	Engineering Co.				175						175			6-month rotation
Nepal	Infantry Batt.				1 050						1 050			6-month rotation
Chile	Aeromedical Evacuation Team				6						6			6-month rotation

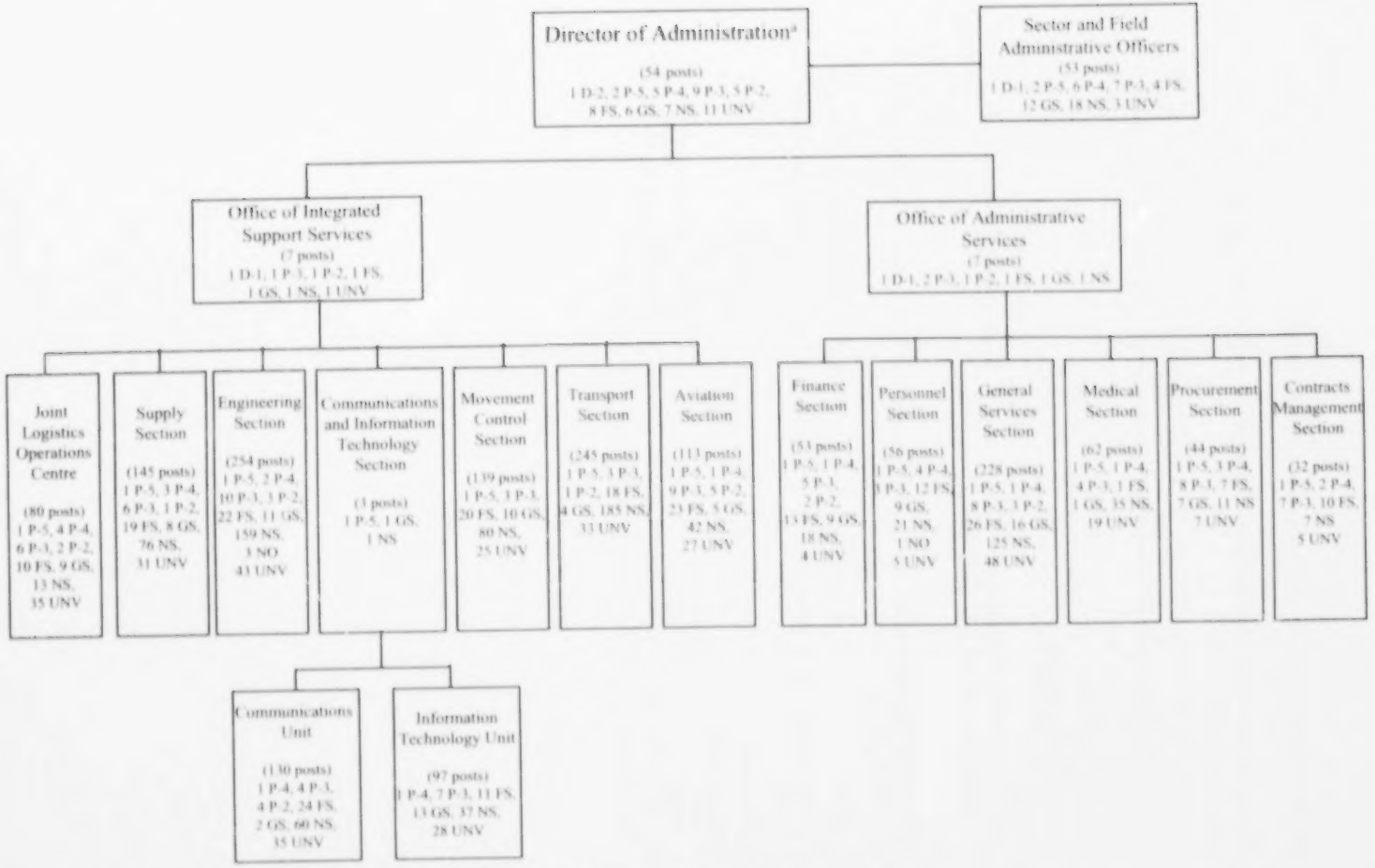
Annex IV

Organization charts showing posts

A. Substantive offices


Office of the Special Representative of the Secretary-General[a]
(35 posts): 1 USG, 1D-2, 4 P-5, 3 P-4, 7 P-3, 1 FS, 15 GS, 13 NS
Heads of Liaison and Field Offices
(31 posts): 1 D-2, 3 D-1, 5 P-5, 7 P-4, 1 P-3, 1 P-2, 8 GS, 5 NS
Office of the Deputy Special Representative of the Secretary-General
(8 posts): 1 ASG, 1 P-5, 2 P-4, 2 GS, 2 NS
Office of the Force Commander
(8 posts): 1 D-2, 1 D-1, 2 FS, 4 NS
Office of the Civilian Police Commissioner
(6 posts): 1 D-1, 1 P-3, 1 FS, 2 GS, 1 NS
Political Affairs Division
(9 posts): 1 D-2, 1 D-1, 1 P-5, 2 GS, 2 NS, 2 UNV
Office of the Deputy Special Representative of the Secretary-General
(8 posts): 1 ASG, 1 P-5, 2 P-4, 2 GS, 2 NS
Division of DDRRR/DDR
(43 posts): 1 D-1, 1 P-5, 6 P-4, 10 P-3, 3 FS, 10 NS, 12 UNV
Division of Administration
See annex IV B
Mine Action Unit
(2 posts): 1 P-3, 1 GS
Security Section
(220 posts): 1 P-5, 2 P-4, 7 P-3, 4 P-2, 58 FS, 13 GS, 132 NS, 3 UNV
Electoral Assistance Division
(130 posts): 1 D-2*, 1 D-1*, 1 P-5, 11 P-4 (10 P-4*), 7 P-3 (6 P-3*), 7GS (6 GS*), 35 NS*, 67 UNV*
Mission and Sector Headquarters
Military Contingents
Military Observers
Transition Support Unit
(13 posts): 1 D-1, 2 P-5, 3 P-4, 1 P-3, 2 P-2, 2 GS, 1 NS, 1 UNV
Political Analysis and Support Unit
(6 posts): 1 P-5, 2 P-4, 1 P-3, 1 P-2, 1 NS
Liaison and Field offices
(73 posts): 4 P-5, 14 P-4, 18 P-3, 15 P-2, 26 NS, 1 UNV
Office of Public Information
(226 posts): 1 D-1, 1 P-5, 11 P-4 (3 P-4*), 19 P-3 (3 P-3*), 6 P-2, 17 FS (4 FS*), 6 GS, 143 NS (20 NS*), 10 NO, 12 UNV (4 UNV*)
Rule of Law Unit
(6 posts): 1 D-1, 1 P-5, 2 P-4, 1 FS, 1 NS
Human Rights Section
(93 posts): 1 D-1, 1 P-5, 6 P-4, 21 P-3, 3 P-2, 10 GS, 31 NS, 20 UNV
Humanitarian Affairs Section
(50 posts): 1 P-5, 3 P-4, 14 P-3, 3 P-2, 6 GS, 18 NS, 4 UNV
Gender Issues Unit
(9 posts): 1 P-5, 1 P-4, 1 P-3, 1 GS, 3 NS, 2 UNV
Child Protection Section
(34 posts): 1P-5, 2 P-4, 13 P-3, 1 P-2, 1 GS,1 NS, 11 NO, 4 UNV
HIV/AIDS Unit
(4 posts): 1 P-4, 1 NS, 2 UNV
* New posts
NS – national staff
NO – national officer
[a] Including Mandate Planning and Tracking Unit, Protocol Unit, Legal Affairs Section, Community Relations Office and Quick Impact Projects Unit

B. Administration


Director of Administration[a]
(54 posts)
1 D-2, 2 P-5, 5 P-4, 9 P-3, 5 P-2, 8 FS, 6 GS, 7 NS, 11 UNV
Sector and Field Administrative Officers
(53 posts)
1 D-1, 2 P-5, 6 P-4, 7 P-3, 4 FS, 12 GS, 18 NS, 3 UNV
Office of Integrated Support Services
(7 posts)
1 D-1, 1 P-5, 1 P-2, 1 FS, 1 GS, 1 NS, 1 UNV
Office of Administrative Services
(7 posts)
1 D-1, 2 P-5, 1 P-2, 1 FS, 1 GS, 1 NS
Joint Logistics Operations Centre
(80 posts)
1 P-5, 4 P-4, 6 P-3, 2 P-2, 10 FS, 9 GS, 13 NS, 35 UNV
Supply Section
(145 posts)
1 P-5, 3 P-4, 6 P-3, 1 P-2, 19 FS, 8 GS, 76 NS, 31 UNV
Engineering Section
(254 posts)
1 P-5, 2 P-4, 10 P-3, 3 P-2, 22 FS, 11 GS, 159 NS, 3 NO, 43 UNV
Communications and Information Technology Section
(3 posts)
1 P-5, 1 GS, 1 NS
Movement Control Section
(139 posts)
1 P-5, 3 P-3, 20 FS, 10 GS, 80 NS, 25 UNV
Transport Section
(245 posts)
1 P-5, 3 P-3, 1 P-2, 18 FS, 4 GS, 185 NS, 33 UNV
Aviation Section
(113 posts)
1 P-5, 1 P-4, 9 P-3, 5 P-2, 23 FS, 5 GS, 42 NS, 27 UNV
Finance Section
(53 posts)
1 P-5, 1 P-4, 5 P-3, 2 P-2, 13 FS, 9 GS, 18 NS, 4 UNV
Personnel Section
(56 posts)
1 P-5, 4 P-4, 3 P-3, 12 FS, 9 GS, 21 NS, 1 NO, 5 UNV
General Services Section
(228 posts)
1 P-5, 1 P-4, 8 P-3, 3 P-2, 26 FS, 16 GS, 125 NS, 48 UNV
Medical Section
(62 posts)
1 P-5, 1 P-4, 4 P-3, 1 FS, 1 GS, 35 NS, 19 UNV
Procurement Section
(44 posts)
1 P-5, 3 P-4, 8 P-3, 7 FS, 7 GS, 11 NS, 7 UNV
Contracts Management Section
(32 posts)
1 P-5, 2 P-4, 7 P-3, 10 FS, 7 NS, 5 UNV
Communications Unit
(130 posts)
1 P-4, 4 P-3, 4 P-2, 24 FS, 2 GS, 60 NS, 35 UNV
Information Technology Unit
(97 posts)
1 P-4, 7 P-3, 11 FS, 13 GS, 37 NS, 28 UNV

[a] Including Aviation Safety Unit, Budget and Cost Control Unit, Administrative Coordination Unit and Mission Support Planning Unit

NS – national staff NO – national officer

Annex V

Detailed information on within-mission travel

Within-mission travel for the period from 1 July 2002 to 30 June 2003

(Thousands of United States dollars)

Office	*Retained accommodation*	*Airfare**	*Total*
Substantive	1 504.2	43.7	1 547.9
Administrative services	230.8	6.9	237.7
Integrated support services	853.2	8.9	862.1
Total	**2 588.2**	**59.5**	**2 647.7**

* Including Burundi, Rwanda, South Africa and Uganda.

Proposed within-mission travel for the period from 1 July 2004 to 30 June 2005

(Thousands of United States dollars)

Office	*Retained accommodation*	*Airfare**	*Total*
Substantive	1 850.0	65.0	1 915.0
Administrative services	319.0	16.0	335.0
Integrated support services	740.0	10.0	750.0
Total	**2 909.0**	**91.0**	**3 000.0**

* Including Burundi, Rwanda, South Africa and Uganda.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Bosnia and Herzegovina

Financial performance report for the period from 1 July 2002 to 30 June 2003 and report on the disposition of assets of the United Nations Mission in Bosnia and Herzegovina

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$78,543,900
Expenditure for 2002/03	$70,307,100

I. Introduction

1. **The general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) of the Advisory Committee on Administrative and Budgetary Questions contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to the United Nations Mission in Bosnia and Herzegovina (UNMIBH).**

2. The documents used by the Advisory Committee in its consideration of the financing of UNMIBH are listed at the end of the present report.

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II. Information on performance for the current period

3. The Advisory Committee was informed that as at 29 February 2004, a total of $984,127,000 had been assessed on Member States in respect of UNMIBH since its inception. Payments received as at the same date amounted to $947,324,000, leaving an outstanding balance of $36,803,000. As at 29 February 2004, the cash position of the Mission was $27,700,000 and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $2,751,000.

4. In respect of death and disability compensation, $911,000 had been paid as at 29 February 2004 for 13 claims, 125 claims were pending and unliquidated obligations amounted to $1,934,000.

III. Financial performance report for the period from 1 July 2002 to 30 June 2003

5. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/505 of 27 June 2002, appropriated to the Special Account for UNMIBH the amount of $82,106,000 for the period from 1 July 2002 to 30 June 2003, inclusive of $78,543,900 for the maintenance and liquidation of the Mission, $3,181,000 for the support account for peacekeeping operations and $381,100 for the United Nations Logistics Base at Brindisi, Italy. As indicated in the report of the Secretary-General on the financial performance of UNMIBH (A/58/632, sect. III.A), expenditures for the period totalled $70,307,100 gross ($64,109,800 net). The resulting unencumbered balance of $8,236,800 gross ($8,579,400 net) represents 10.5 per cent of the appropriation.

6. The unutilized balance was attributable primarily to the repatriation of military observers in the United Nations Mission of Observers in Prevlaka (UNMOP), whose mandate expired on 15 December 2002 but whose budget had been based on the full 12-month period; the deployment of fewer civilian police than planned; the closure of some facilities earlier than planned and lower costs for alteration and renovation services than projected; lower requirements for the refurbishment of vehicles owing to the direct transfer of most of the vehicles to other peacekeeping missions; the utilization of fewer extra flying hours than budgeted under air transportation; and fewer requirements for the refurbishment of commercial equipment as the equipment was transferred directly to other peacekeeping missions rather than to Brindisi. These elements were offset in part by additional requirements under international and national staff owing to expenditures for separation costs following the termination of the Mission and under official travel for travel within the Mission area.

7. The Advisory Committee notes from section III.B of the performance report that a total of $8,603,000 is indicated for other income and adjustments for the period, comprising $591,000 in interest income, $6,713,000 for other/miscellaneous income and $1,299,000 in savings on the cancellation of prior-period obligations. Upon request for an explanation of the figure of $1,299,000 for savings on the cancellation of prior-period obligations, the Committee was provided with details of the amount (see annex I). **The Committee reiterates the request it made in its report of 8 April 2003 that future performance reports include an explanation of such adjustments (see A/57/772/Add.8, para. 6).**

8. The Advisory Committee was provided with information related to the support provided by UNMIBH to other United Nations and non-United Nations entities in the Mission area (see annex II).

9. Upon enquiry, the Advisory Committee was informed that the final performance report on UNMIBH would be presented to the General Assembly during its fifty-ninth session.

IV. Final disposition of assets

10. The report of the Secretary-General (A/58/720) contains information on the final disposition of assets of UNMIBH, whose mandate expired on 31 December 2002. The inventory value of the Mission's assets as at 31 December 2002 amounted to $59,564,700.

11. As indicated in paragraphs 2 and 4 of the report of the Secretary-General (A/58/720), the assets have been placed into three groups in accordance with United Nations Financial Regulation 5.14:

(a) Assets with an inventory value of $28,369,300 or 47.6 per cent of the total, that have been identified as meeting the requirements of peacekeeping operations or United Nations activities funded from assessed contributions have been transferred to other United Nations missions, United Nations Headquarters and Brindisi for temporary storage pending future use;

(b) Assets with an inventory value of $28,668,800, or 48.1 per cent of the total, were either sold locally, at depreciated value, to other organizations, private companies and individuals ($21,793,600) or donated to the Government of Bosnia and Herzegovina ($6,875,200);

(c) Assets with an inventory value of $2,526,600, or 4.3 per cent of the total, were written off as a result of accidents and damage caused by natural elements and acts of war, obsolescence and loss owing to theft (see annex III for definitions of write-off categories).

12. With regard to the assets sold, the Advisory Committee notes from paragraph 6 (a) of the report of the Secretary-General (A/58/720) that the proceeds of sale amounted to $4,875,700 and were credited as miscellaneous income to the UNMIBH Special Account (relates to non-expendable items only).

13. As indicated in paragraph 6 (b) of the report of the Secretary-General (A/58/720), the donation to the Government of Bosnia and Herzegovina was approved by the General Assembly in its decision 57/559 of 20 December 2002.

V. Conclusions of the Advisory Committee

14. The action to be taken by the General Assembly in connection with the financing of UNMIBH for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 24 of the performance report (A/58/632). **The Advisory Committee recommends that the unencumbered balance of $8,236,800, as well as other income/adjustments in the amount of $8,603,000, be credited to Member States in a manner to be determined by the Assembly.**

15. The action to be taken by the General Assembly in connection with the final disposition of assets of UNMIBH is indicated in paragraph 8 of the report of the Secretary-General on the financing of the Mission (A/58/720). **The Advisory Committee recommends that the Assembly take note of the report on the final disposition of assets of UNMIBH.**

Documentation

- Report of the Secretary-General: performance report on the budget of UNMIBH for the period from 1 July 2002 to 30 June 2003 (A/58/632)
- Report of the Secretary-General on the final disposition of assets of UNMIBH (A/58/720)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the performance report on the budget of UNMIBH for the period from 1 July 2001 to 30 June 2002 (A/57/773)
- General Assembly resolutions 56/505 and 57/334 on the financing of UNMIBH
- Security Council resolutions 1035 (1995), 1420 (2002), 1421 (2002) and 1423 (2002)

Annex I

Savings on the cancellation of prior-period obligations of the United Nations Mission in Bosnia and Herzegovina

1 July 2002 to 30 June 2003

(Thousands of United States dollars)

Category	*Amount*
1. Military and police personnel	
1. Military observers	
Mission subsistence allowance	—
Travel on emplacement, rotation and repatriation	13.0
Clothing allowance	—
Death and disability compensation	—
Total, line 1	**13.0**
2. Military contingents	
Standard troop cost reimbursement	—
Travel on emplacement, rotation and repatriation	—
Recreational leave allowance	—
Daily allowance	—
Mission subsistence allowance	—
Death and disability compensation	—
Rations	—
Contingent-owned equipment: major equipment	—
Freight and deployment of contingent-owned equipment	—
Total, line 2	**—**
3. Civilian police	
Mission subsistence allowance	—
Travel on emplacement, rotation and repatriation	468.0
Clothing allowance	—
Death and disability compensation	—
Total, line 3	**468.0**
4. Formed police units	
Formed police units cost reimbursement	—
Travel on emplacement, rotation and repatriation	—
Recreational leave allowance	—
Daily allowance	—

Category	Amount
Death and disability compensation	—
Rations	—
Total, line 4	—
Total, group I	**481.0**
II. Civilian personnel	
5. International staff	
International staff salaries	—
Staff assessment	—
Common staff costs	157.0
Mission subsistence allowance	—
Overtime	—
Other costs	14.9
Total, line 5	**171.9**
6. National staff	
National staff salaries	—
Staff assessment	—
Common staff costs	—
Overtime	—
Other costs	—
Total, line 6	—
7. United Nations Volunteers	
United Nations Volunteers	—
Total, line 7	—
Total, group II	**171.9**
III. Operational costs	
8. General temporary assistance	
General temporary assistance	—
Staff assessment	—
Total, line 8	—
9. Government-provided personnel	
Mission subsistence allowance	—
Travel on assignment/repatriation	—
Total, line 9	—

Category	Amount
10. Civilian electoral observers	
Mission subsistence allowance	—
Travel on assignment/repatriation	—
Total, line 10	—
11. Consultants	
Consultants, non-training	7.3
Training consultants	—
Total, line 11	**7.3**
12. Official travel	
Official travel, non-training	15.8
Official travel, training	—
Total, line 12	**15.8**
13. Facilities and infrastructure	
Acquisition of prefabricated facilities	—
Acquisition of miscellaneous facilities and infrastructure	—
Acquisition of bridges for infrastructure	—
Acquisition of electrical equipment	—
Acquisition of refrigeration equipment	—
Acquisition of generators	—
Acquisition of water purification equipment	—
Acquisition of water and septic tank	—
Acquisition of accommodation equipment	—
Acquisition of fuel tank and pumps	—
Acquisition of office furniture	—
Acquisition of office equipment	—
Acquisition of field defence equipment	—
Acquisition of security and safety equipment	—
Acquisition of firefighting equipment	—
Rental of premises	11.2
Rental of office equipment	—
Utilities	18.1
Maintenance services	38.0
Security services	0.1
Alteration and renovation services	0.7

Category	*Amount*
Construction services	—
Stationery and office supplies	5.3
Spare parts and supplies	0.3
Maintenance supplies	8.9
Field defence supplies	—
Petrol, oil and lubricants	13.9
Sanitation and cleaning materials	0.2
Contingent-owned equipment: self-sustainment	—
Total, line 13	**96.7**
14. Ground transportation	
Acquisition of vehicles	25.1
Acquisition of vehicle workshop equipment	—
Rental of vehicles	—
Repairs and maintenance	—
Liability insurance	36.5
Spare parts	163.9
Petrol, oil and lubricants	48.1
Total, line 14	**273.6**
15. Air transportation	
Equipment and supplies	—
Services	0.1
Landing fees and ground handling charges	6.1
Air crew subsistence allowance	3.8
Petrol, oil and lubricants	15.8
Fixed Wing	
Liability insurance	—
Rental operation	—
Helicopters	
Liability insurance	0.1
Rental and operation	
Total, line 15	**25.9**
16. Naval transportation	
Acquisition of marine vessels	—
Rental and operation	—

Category	*Amount*
Liability insurance	—
Spare parts/repairs/maintenance and supplies	—
Petrol, oil and lubricants	—
Total, line 16	—
17. Communications	
Acquisition of communications equipment	65.0
Commercial communications	68.4
Maintenance of equipment	—
Communications support services	—
Rental of equipment	—
Spare parts	9.8
Contingent-owned equipment: self-sustainment	—
Public information	
Acquisition of public information equipment	8.0
Public information services	—
Rental of equipment	—
Supplies and maintenance	—
Total, line 17	**151.2**
18. Information technology	
Acquisition of equipment	44.0
Acquisition of software packages	—
Information technology services	—
Rental of equipment	—
Maintenance and repair of equipment	0.9
Licenses, fees and rental of software	—
Spare parts and supplies	—
Total, line 18	**44.9**
19. Medical	
Acquisition of equipment	—
Medical services	0.8
Rental of equipment	—
Supplies	0.5
Contingent-owned equipment: self-sustainment	—
Total, line 19	**1.3**

Category	*Amount*
20. Special equipment	
Acquisition of observation equipment	—
Mine-detection and mine-clearing equipment	—
Contingent-owned equipment: self-sustainment	—
Total, line 20	—
21. Other supplies, services and equipment	
Acquisition of other equipment	—
Welfare	—
Mine-detection and mine-clearing services	—
Mine-detection and mine-clearing supplies	—
Subscriptions	2.4
Printing and reproduction	—
Operational maps	—
Uniforms, flags and decals	—
Personal protection gear	—
Training fees, supplies and services	—
Election materials	—
Official functions	—
Other hospitality	—
External audit	—
General insurance	—
Bank charges	—
Miscellaneous claims and adjustments	5.0
Other freight and related costs	10.7
Rations, other	—
Loss on exchange	—
Other services	11.3
Total, line 21	**29.4**
22. Quick-impact projects	
Quick-impact projects	—
Total, line 22	—
Total, group III	**646.1**
Gross total	**1 299.0**

Category	*Amount*
Staff assessment income	—
Net total	**1 299.0**
Voluntary contributions in kind (budgeted)	—
Voluntary contributions in kind (non-budgeted)	—
Total	**1 299.0**

Annex II

Support provided by the United Nations Mission in Bosnia and Herzegovina to United Nations and non-United Nations entities in the Mission area

Section providing support/tasks performed by UNMIBH	*Entities receiving support*	*Reimbursable?*	*Account credited*	
			Mission allotment account	*Miscellaneous income*
Communications and Information Technology Section				
Telephone charges	International Criminal Tribunal for the Former Yugoslavia, European Union Police Mission, European Union, Project Impact, United Nations Development Programme, United Nations International Drug Control Programme, United Nations Educational, Scientific and Cultural Organization, Office of the United Nations High Commissioner for Human Rights, United Nations Office for Project Services	Yes		23 393
Engineering and Building Management Section				
Cost share for:				
Electricity	International Criminal Tribunal for the Former Yugoslavia, International Organization for Migration, European Union Police Mission, European Union	Yes		22 788
Premises, water	Project Impact			8 071
Gas	United Nations International Drug Control Programme, United Nations Educational, Scientific and Cultural Organization			10 189
Waste disposal services	Office of the United Nations High Commissioner for Human Rights			908
Miscellaneous maintenance — facilities and infrastructure				76 297
Cleaning services				20 754
Sanitary and cleaning materials				6 563

Section providing support/tasks performed by UNMIBH	*Entities receiving support*	*Reimbursable?*	*Account credited*	
			Mission allotment account	*Miscellaneous income*
General Services Section				
Pouch and postage charges	United Nations Development Programme, United Nations Children's Fund	Yes		3 041
Reproduction services	European Union Police Mission, Trust Fund	Yes		4 986
Supply Unit				
Miscellaneous supplies	United Nations International Drug Control Programme, International Criminal Tribunal for the Former Yugoslavia, European Union, Project Impact, European Union Police Mission, United Nations Development Programme, United Nations Children's Fund	Yes		1 479
Transport Section				
Transportation charges, liberty mileage, services and vehicle spare parts	International Criminal Tribunal for the Former Yugoslavia, Office of the United Nations High Commissioner for Human Rights, Office of the United Nations High Commissioner for Refugees	Yes		36 249
Fuel charges (diesel and benzine)	Office of the United Nations High Commissioner for Human Rights, Office of the United Nations High Commissioner for Refugees, United Nations Development Programme, International Criminal Tribunal for the Former Yugoslavia, United Nations Educational, Scientific and Cultural Organization, Mine Action Centre, World Bank, United Nations International Drug Control Programme, World Health Organization, United Nations Children's Fund	Yes		80 423
Finance Section				
Payment of salaries and allowances	International Criminal Tribunal for the Former Yugoslavia	Yes		183 505
Total				**478 646**

Annex III

Write-off category definitions

Category	*Definition*
Uneconomical to recover	Assets left behind, as recovery was either not cost-effective or not possible
Accident	Assets (vehicles) written off owing to vehicular accidents
Damaged	Assets (other than vehicles) written off as a result of hostile action or mishandling
Reported lost	Assets reported lost but where there is no indication of theft
Normal wear	Assets that have reached the end of their useful life
Theft	Assets reported lost where there are indications of deliberate criminal activity
Unacknowledged transfers	Assets written off as a result of the receiving mission's failure to confirm receipt by providing a signed receiving and inspection report
Condemned	Assets not damaged physically and not at the end of their useful life but malfunctioning, uneconomical to repair and, as a result, written off
Unaccounted for	Assets entered into the inventory system, unable to be traced and not recorded in the "reported lost" or "theft" categories

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Financial performance report of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2002 to 30 June 2003

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$50,573,200
Expenditure for 2002/03	$42,478,800

I. Introduction

1. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to the United Nations Iraq-Kuwait Observation Mission (UNIKOM).**

2. The documents used by the Advisory Committee in its consideration of the financing of UNIKOM are listed at the end of the present report.

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II. Information on performance for the current period

3. The Advisory Committee was informed that, as at 29 February 2004, a total of $329,474,000 had been assessed on Member States in respect of UNIKOM since its inception. Payments received as at the same date amounted to $322,388,000, leaving an outstanding balance of $7,086,000. As at 29 February 2004, the cash position of the Mission was $51,300,000 and unliquidated obligations for the period from 1 July to 2003 amounted to $1,825,000.

4. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $68,000 had been reimbursed and the estimated amount owed was $3,343,000, while obligations payable for the period up to 29 February 2004 totalled $529,000. In respect of death and disability compensation, $872,000 had been paid as at 29 February 2004 for 12 claims, 8 claims were pending and unliquidated obligations amounted to $1,390,000.

5. The Advisory Committee was informed that, since the mandate of the Mission had been terminated on October 2003 by Security Council resolution 1490 (2003), all authorized posts had been unencumbered.

6. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004, as at 29 February 2004 (see annex I below). Expenditure for the period amounted to $6,162,000 gross ($5,496,300 net) against an apportionment of $12,000,000 gross ($11,030,900 net).

7. The Advisory Committee notes from the performance report for the period 2002/03 (A/58/630, sect. III.C) that expenditure for contingent-owned equipment for the period ending 30 June 2003 totalled $1,175,700.

III. Financial performance report for the period from 1 July 2002 to 30 June 2003

8. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/297 of 27 June 2002, appropriated to the Special Account for UNIKOM an amount of $52,866,800 for the period from 1 July 2002 to 30 June 2003, inclusive of $50,573,200 gross ($48,345,300 net) for the maintenance of the Mission, $2,048,200 for the support account and $245,400 for the United Nations Logistics Base at Brindisi, Italy. As indicated in the report of the Secretary-General on the financial performance of UNIKOM (A/58/630, sect. III.A), expenditures for the period totalled $42,478,800 gross ($40,365,800 net). The resulting unencumbered balance of $8,094,400 gross ($7,979,500 net) represents 16.0 per cent of the appropriation.

9. The unutilized balance was primarily attributable to the unspent balance resulting from the early repatriation of military contingents upon suspension of the Mission's operation on 17 March 2003, from savings resulting from the transfer of vehicles from downsizing missions at no cost, as well as from the cancellation of planned purchases following the suspension of the Mission's operation and unspent balances under various items, including utilities, acquisition of facilities, alteration and renovation services, petrol, oil, and lubricants, spare parts and supplies. These elements were offset in part by additional requirements under military observers and international staff, official travel and other supplies, services and equipment.

10. The Advisory Committee notes from section III.B of the performance report that a total of $4,563,000 is indicated for other income and adjustments for the period, comprising $2,545,000 in interest income, $946,000 for other/miscellaneous income and $1,078,000 in savings on or cancellation of prior-period obligations, offset by a reduction of $6,000 for prior-period adjustments. Upon its request for an explanation of the figure of $1,078,000 for savings on cancellation of prior obligations, the Advisory Committee was provided with details (see annex II). **The Committee reiterates the request it made in its report of 8 April 2003 that future performance reports include an explanation of such adjustments (see A/57/772/Add.8, para. 6).**

Civilian personnel

11. The Advisory Committee notes from the additional information provided to it that the amount of $332,700 was paid as reimbursement of mission subsistence allowance and compensatory payment to staff as a consequence of a judgement of the Administrative Tribunal. Upon enquiry, the Committee was informed that, by its judgement No. 1079, the Administrative Tribunal decided that the recovery of mission subsistence allowance overpayments to former UNIKOM staff members should be limited to the last two years of the overpayments and that the staff members should be reimbursed any amounts recovered in excess thereof. In addition, the Tribunal ordered that each staff member be compensated $1,000 because of the delays encountered in the case.

12. For the period 2002/03, as indicated in the performance report (sect. III.A), expenditure for national staff amounted to $7,183,900, resulting in a decrease of $460,800, in comparison with the apportionment of $7,644,700. The underexpenditure was mainly attributable to the fact that 49 per cent of the national staff were appointed at the G-4 grade or below.

Air transportation

13. The Advisory Committee notes from the additional information provided to it that expenditure of $1,029,900 was incurred under air transportation for the charter of an aircraft for the evacuation of 1,134 UNIKOM personnel from Kuwait City to Dhaka and Brindisi in February 2003. Upon enquiry, the Committee was informed that the charter of the aircraft was for a total of six flights (three from Kuwait to Dhaka and three from Kuwait to Brindisi).

Support provided by the Mission to agencies

14. The Advisory Committee recalled that, in its report to the Security Council (S/2003/933, para. 9), the Secretary-General indicated that, as part of its support to humanitarian agencies and programmes, UNIKOM had provided vehicles at depreciated value and provided vehicle maintenance, fuel, washing and long-term parking facilities. Upon enquiry, the Committee was informed that costs had been recovered for a number of items, including 12 vehicles for the International Organization for Migration, 4 vehicles for the World Health Organization and 2 fuel trucks for the World Food Programme.

Disposition of assets

15. The Advisory Committee was provided with an interim report on UNIKOM assets reflected in the Field Assets Control System, as at 6 December 2003 (see annex III below). In this connection, the Committee was informed that a complete report on the disposition of the assets of the Mission would be presented to the General Assembly during the spring of 2005, in the context of the performance report on UNIKOM.

Voluntary contributions

16. The Advisory Committee notes from section III.A, footnote b, of the performance report that voluntary contributions in kind included $25,000 from the Government of Kuwait. Upon enquiry, the Committee was informed that this amount was for medical supplies to be provided by the Government of Kuwait. However, these supplies have never been received and the accounting entry will be reversed.

IV. Conclusion of the Advisory Committee

17. The action to be taken by the General Assembly in connection with the financing of UNIKOM for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 22 of the performance report (A/58/630). **The Committee recommends that the unencumbered balance of $8,094,400, as well as other income/adjustments in the amount of $4,563,000, be credited to Member States in a manner to be determined by the Assembly.**

Documentation

- Performance report on the budget of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2002 to 30 June 2003 (A/58/630)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2003 to 30 June 2004 (A/58/441)
- General Assembly resolutions 56/297 and 57/330 on the financing of the United Nations Iraq-Kuwait Observation Mission
- Report of the Secretary-General on the activities of the United Nations Iraq-Kuwait Observation Mission for the period from 16 June to 1 October 2003 (S/2003/933)
- Security Council resolution 1490 (2003)

Annex I

Actual expenditures of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	Apportionment	Expenditures
Military and police personnel		
Military observers	253.4	75.4
Military contingents		404.5
Civilian police	—	—
Formed police units	—	—
Subtotal	**253.4**	**479.9**
Civilian personnel		
International staff	5 098.2	2 237.5
National staff	4 345.1	1 887.4
United Nations Volunteers	—	—
Subtotal	**7 443.3**	**4 124.9**
Operational costs		
General temporary assistance	—	—
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	—
Official travel	100.0	56.5
Facilities and infrastructure	1 952.0	575.6
Ground transportation	730.0	78.7
Air transportation	—	94.2
Naval transportation	—	—
Communications	764.5	144.6
Information technology	400.0	109.7
Medical	20.0	6.9
Special equipment	—	30.5
Other supplies, services and equipment	316.8	460.1
Quick-impact projects	—	—
Subtotal	**4 303.3**	**1 557.2**
Gross requirements	**12 000.0**	**6 162.0**
Staff assessment income	969.1	665.7
Net requirements	**11 030.9**	**5 496.3**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**12 000.0**	**6 162.0**

Annex II

United Nations Iraq-Kuwait Observation Mission: savings on or cancellation of prior-period obligations

(Thousands of United States dollars)

Category	
Military and police personnel	
Military observers	121.7
Military contingents	423.7
Civilian police	—
Formed police units	—
Subtotal	**545.5**
Civilian personnel	
International staff	21.3
National staff	—
United Nations Volunteers	—
Subtotal	**21.3**
Operational costs	
General temporary assistance	—
Government-provided personnel	—
Civilian electoral observers	—
Consultants	—
Official travel	2.6
Facilities and infrastructure	93.6
Ground transportation	297.0
Air transportation	35.2
Naval transportation	19.7
Communications	16.6
Information technology	—
Medical	—
Special equipment	—
Other supplies, services and equipment	46.3
Quick-impact projects	—
Subtotal	**511.0**
Grand total	**1 077.8**

Annex III

United Nations Iraq-Kuwait Observation Mission: interim report on assets in the field assets control system as at 6 December 2003

(United States dollars)

Description	*Quantity*	*Quantity*	*Purchase value*	*Depreciation cost*
Section I				
Number of assets reflected in UNIKOM field assets control system*	9 225			
Assets trashed from the field assets control system		73	162 591.93	77 669.19
Assets awaiting Headquarters Property Survey Board pending completion		19	1 096 556.67	298 545.30
Assets not archived because of technical errors		7	7 252.56	2 230.92
Total assets shipped (see sect. II)		2 900	12 909 990.50	7 613 147.61
Total assets written off (disposed)		6 225	15 694 112.36	4 848 660.84
Total		**9 224**	**29 870 504.82**	**12 840 253.86**
Fork-lift stranded at Saudi Port being handled by Logistics Supply Division		1	75 000.00	
Section II				
Assets shipped before close of business 30 June 2003		81	341 578.82	151 455.61
Assets shipped from 1 July 2003		2 819	12 568 422.68	7 461 692.00
Total		**2 900**	**12 909 990.50**	**7 613 147.61**
Section III				
Assets written off before close of business 30 June 2003		1 543	5 524 810.72	1 374 725.28
Assets written off from 1 July 2003 (see sect. IV)		4 682	10 169 301.64	3 473 935.56
Total		**6 225**	**15 694 112.36**	**4 848 660.84**
Section IV				
Assets written off as missing		1 820	3 093 130.86	1 043 587.41
Assets written off as "sale as is"		929	3 293 743.81	962 507.01
Assets written off as scrap		1 249	1 802 045.74	656 987.90
Assets written off as abandoned in situ		571	1 047 838.76	156 424.86
Written-off assets sold to agencies		111	837 542.47	427 902.66
Assets written off and sold to the World Food Programme (Group II)		2	95 000.00	26 525.72
Total		**4 682**	**10 169 301.64**	**3 473 935.56**

* Note that the number (9,225 assets) reflects the total assets reflected in the field assets control system for UNIKOM. Because of the ongoing nature of the assets disposal process, the numbers presented above will not reconcile the fiscal year-end inventory report for UNIKOM as at 30 June 2003. The present report accounts for all assets listed in the field assets control system during liquidation.